

**BOROUGH OF BROOKLAWN
COUNTY OF CAMDEN
REPORT OF AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2018**

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BOROUGH OF BROOKLAWN
PART I
REPORT OF AUDIT OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Borough Council
Borough of Brooklawn
Brooklawn, New Jersey 08030

Report on the Financial Statements

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough of Brooklawn, in the County of Camden, State of New Jersey, as of December 31, 2018 and 2017, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed asset group of accounts - regulatory basis for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Opinions

Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

As described in note 1 to the financial statements, the financial statements are prepared by the Borough on the basis of the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

In our opinion, because of the significance of the matter discussed in the “*Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America*” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Borough of Brooklawn, in the County of Camden, State of New Jersey, as of December 31, 2018 and 2017, or the results of its operations and changes in fund balance for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to previously present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough of Brooklawn, in the County of Camden, State of New Jersey, as of December 31, 2018 and 2017, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the revenues - regulatory basis and expenditures - regulatory basis of the various funds, and general fixed asset group of accounts - regulatory basis, for the year ended December 31, 2018, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in note 1.

Emphasis of Matter

Adoption of New Accounting Principles

As discussed in note 1 to the financial statements, during the year ended December 31, 2018, the Borough adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. The adoption of this new accounting principle resulted in a material note disclosure (see note 9). As a result of the regulatory basis of accounting, described in the previous paragraph, the implementation of this Statement only required financial statement note disclosures. Our opinions are not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough's basic financial statements. The supplemental statements and schedules presented for the various funds, as listed in the table of contents, are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and are not a required part of the basic financial statements.

The supplemental statements and schedules presented for the various funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental statements and schedules described in the previous paragraph are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 29, 2019 on our consideration of the Borough of Brooklawn, in the County of Camden, State of New Jersey, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough of Brooklawn's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Brooklawn's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Kirk N. Applegate
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
July 29, 2019

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Borough Council
Borough of Brooklawn
Brooklawn, New Jersey 08030

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, of the Borough of Brooklawn, in the County of Camden, State of New Jersey, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated July 29, 2019. That report indicated that the Borough of Brooklawn's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our report on the financial statements included an emphasis of matter paragraph describing the adoption of a new accounting pronouncement.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Borough of Brooklawn's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Brooklawn's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Brooklawn's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Brooklawn's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, in considering the Borough of Brooklawn's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Kirk N. Applegate
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
July 29, 2019

BOROUGH OF BROOKLAWN

CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
As of December 31, 2018 and 2017

<u>ASSETS</u>	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Regular Fund:			
Cash--Treasurer	SA-1	\$ 1,863,902.45	\$ 1,544,384.01
Cash--Change Funds	SA-2	240.00	240.00
		<u>1,864,142.45</u>	<u>1,544,624.01</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-3	61,471.95	94,364.47
Tax Title Liens Receivable	SA-4	92,509.17	81,442.60
Property Acquired for Taxes - Assessed Valuation	A	69,700.00	69,700.00
Rents Receivable - Borough-Owned Homes	SA-6	12,872.51	14,352.51
Revenue Accounts Receivable	SA-7	9,557.63	5,639.99
Due from Trust- Animal Control Fund	SB-3	0.27	4.93
Due from Trust- Other Fund	SB-4		2,266.52
Due from Water Utility Operating Fund	D	2,682.21	8,638.69
Due from Public Assistance Fund	SE-1	0.23	0.58
		<u>248,793.97</u>	<u>276,410.29</u>
Deferred Charges:			
Reserve for Revaluation	SA-8	30,000.00	40,000.00
		<u>2,142,936.42</u>	<u>1,861,034.30</u>
Federal and State Grant Fund:			
Cash	SA-1	98,495.54	12,306.69
Grants Receivable	SA-19	97,540.10	157,000.74
		<u>196,035.64</u>	<u>169,307.43</u>
		<u>\$ 2,338,972.06</u>	<u>\$ 2,030,341.73</u>

(Continued)

BOROUGH OF BROOKLAWN
CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
As of December 31, 2018 and 2017

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Regular Fund:			
Appropriation Reserves	A-3	\$ 170,137.76	\$ 80,796.58
Reserve for Encumbrances:			
Budget	A-3	78,676.24	48,488.16
Due to CCMUA - Tax Sale	A	562.72	562.72
Due to State of New Jersey:			
Veterans and Senior Citizens Deductions (Ch.73, P.L. 1976)	SA-5	16,095.57	15,991.38
Marriage License Fees	SA-10	50.00	100.00
State Training Fees	SA-11	2,116.00	238.00
Reserve for Payroll Deductions Payable	SA-12	17,583.35	36,618.57
Prepaid Taxes	SA-13	80,616.25	84,731.38
Tax Overpayments	SA-14	10,068.75	13,205.59
Due County for Added and Omitted Taxes	SA-16	991.43	786.46
Prepaid Rents on Borough Owned Homes	SA-17	1,080.00	3,015.00
School Taxes Payable	SA-18	2,832.00	14,916.50
Reserve for Preparation of Tax Maps	A	2,032.50	2,032.50
Reserve for Revaluation	A	16,185.63	16,185.63
Due to Trust - Other Fund	SB-4	3,463.70	
Due to General Capital Fund	SC-4	92,988.46	43,363.13
		<u>495,480.36</u>	<u>361,031.60</u>
Reserves for Receivables		248,793.97	276,410.29
Fund Balance	A-1	<u>1,398,662.09</u>	<u>1,223,592.41</u>
		<u>2,142,936.42</u>	<u>1,861,034.30</u>
Federal and State Grant Fund:			
Reserve for Small Cities Program Income	A	73.66	73.66
Reserve for Federal and State Grants - Unappropriated	SA-20		5,244.72
Reserve for Federal and State Grants - Appropriated	SA-21	194,415.69	163,939.06
Reserve for Encumbrances	SA-21	1,546.29	49.99
		<u>196,035.64</u>	<u>169,307.43</u>
		<u>\$ 2,338,972.06</u>	<u>\$ 2,030,341.73</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF BROOKLAWN
CURRENT FUND
 Statements of Operations and Changes
 In Fund Balance - Regulatory Basis
 For the Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<u>Revenue and Other Income Realized:</u>		
Fund Balance Utilized	\$ 405,500.00	\$ 390,000.00
Miscellaneous Revenues Anticipated	1,175,409.33	1,091,425.31
Receipts from Delinquent Taxes	95,283.71	65,262.53
Receipts from Current Taxes	4,493,666.60	4,318,272.91
Non-budget Revenues	183,363.01	254,279.83
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	87,910.63	163,012.40
Cancellation of Tax Overpayments		1,261.80
Liquidation of Reserve for Due from Bank		56.31
Interfund Reserves Liquidated:		
Due from Trust Other Fund	2,266.52	
Due from Trust - Animal Control Fund	4.66	
Due from General Capital Fund		323.98
Due from Federal and State Grant Fund		9,004.19
Due from Water Utility Operating Fund	5,956.48	1,197.82
Due from Public Assistance Fund	0.35	
	<u>6,449,361.29</u>	<u>6,294,097.08</u>
<u>Expenditures:</u>		
Budget Appropriations:		
Operations Within "CAPS":		
Salaries and Wages	1,209,020.00	1,216,447.00
Other Expenses	1,349,777.76	1,304,700.00
Deferred Charges and Statutory Expenditures		
Municipal -- Within "CAPS"	270,911.37	301,982.00
Operations Excluded from "CAPS"		
Salaries and Wages	34,000.00	34,000.00
Other Expenses	205,635.22	136,075.54
Capital Improvement Fund	10,000.00	10,000.00
Acquisition of Police Four Wheel Drive Vehicle		35,000.00
Municipal Debt Service	247,934.76	220,006.88
Deferred Charges -- Excluded from "CAPS"	10,000.00	10,000.00
County Taxes	1,127,684.57	1,007,218.27
Due County for Added and Omitted Taxes	991.43	786.46
Local District School Tax	1,401,836.50	1,363,368.00
Prior Year Senior Citizens Disallowed	1,000.00	750.00
Cancellation of Due from Bank		56.31
Interfund Reserves Created:		
Due from Trust Other Fund		2,266.52
Due from Trust - Animal Control Fund		3.62
Due from Public Assistance Fund		0.46
	<u>5,868,791.61</u>	<u>5,642,661.06</u>

(Continued)

BOROUGH OF BROOKLAWN
CURRENT FUND
 Statements of Operations and Changes
 In Fund Balance - Regulatory Basis
 For the Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Excess in Revenues	\$ 580,569.68	\$ 651,436.02
Adjustments to Income Before Fund Balance:		
Expenditures included above which are by Statute		
Deferred Charges to Budget of Succeeding Year	<u>-</u>	<u>-</u>
Statutory Excess to Fund Balance	580,569.68	651,436.02
Fund Balance January 1	<u>1,223,592.41</u>	<u>962,156.39</u>
	1,804,162.09	1,613,592.41
Decreased by:		
Utilization as Anticipated Revenue	<u>405,500.00</u>	<u>390,000.00</u>
Fund Balance December 31	<u><u>\$ 1,398,662.09</u></u>	<u><u>\$ 1,223,592.41</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF BROOKLAWN
CURRENT FUND
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2018

	Anticipated Budget	Special N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	\$ 405,500.00	\$ -	\$ 405,500.00	\$ -
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	12,500.00		12,650.00	150.00
Other	8,000.00		7,445.00	(555.00)
Fines and Costs:				
Municipal Court	85,000.00		105,607.29	20,607.29
Interest and Costs on Taxes	14,698.88		27,619.08	12,920.20
Interest on Investments and Deposits	4,000.00		16,409.31	12,409.31
Rental of Municipally Owned Property	309,000.00		327,353.50	18,353.50
Uniform Fire Safety Act-- Fees & Permits	1,500.00		1,135.00	(365.00)
Rental Registration Fees	15,000.00		14,485.00	(515.00)
Energy Receipts Tax P.L. 1997, Chapters 162 & 167)	199,509.00		199,509.00	
Uniform Construction Code Fees	22,000.00		39,349.00	17,349.00
Hotel Motel Tax	50,000.00		58,076.61	8,076.61
Sewer Service Fees	126,000.00		177,856.07	51,856.07
Rental of Community Center	7,000.00		8,325.00	1,325.00
Special Items of Revenue:				
Uniform Fire Safety Act	3,700.00		5,433.35	1,733.35
Interlocal Service Agreement - Electrical Sub Code Official - Borough of Merchantville	1,114.50		1,114.50	
Interlocal Service Agreement - Electrical Sub Code Official - Borough of Westville	9,000.00		9,000.00	
Interlocal Service Agreement - Administrator Services - Borough of Westville	70,000.00		70,000.00	
Interlocal Service Agreement - Tax Collector - Audobon Park	2,750.00		2,750.00	
General Capital Surplus	34,734.50		34,734.50	
Public and Private Revenues Offset With Appropriations:				
Municipal Alliance on Alcoholism and Drug Abuse	6,712.40		6,712.40	
Drunk Driving Enforcement Grant		4,000.00	4,000.00	
Clean Communities Program		4,000.00	4,000.00	
Drive Sober or Get Pulled Over Grant		6,600.00	6,600.00	
Recycling Tonnage Grant	5,244.72		5,244.72	
Safe and Secure Communities Grant	30,000.00		30,000.00	
Subtotal General Revenues	1,017,464.00	14,600.00	1,175,409.33	143,345.33
Receipts from Delinquent Taxes	64,000.00	-	95,283.71	31,283.71
Subtotal General Revenues	1,486,964.00	14,600.00	1,676,193.04	174,629.04
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes Including Reserve for Uncollectible Taxes	2,015,816.00	-	2,125,359.60	109,543.60
Budget Totals	3,502,780.00	14,600.00	3,801,552.64	284,172.64
Nonbudget Revenues	-	-	183,363.01	183,363.01
	<u>\$3,502,780.00</u>	<u>\$ 14,600.00</u>	<u>\$3,984,915.65</u>	<u>\$ 467,535.65</u>

(Continued)

BOROUGH OF BROOKLAWN
CURRENT FUND
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2018

Analysis of Realized Revenue:Allocation of Current Tax Collections:

Revenue from Collections	\$ 4,493,666.60
Allocated to:	
School and County Taxes	2,548,395.00
Balance for Support of Municipal Budget Revenues	1,945,271.6
Add:	
Appropriation: "Reserve for Uncollected Taxes"	180,088.00
Amount for Support of Municipal Budget Appropriations	\$ 2,125,359.60

Receipts from Delinquent Taxes

Delinquent Tax Collections	\$ 95,283.71
Tax Title Liens	-
	\$ 95,283.71

Interest on Investments and Deposits

Treasurer	\$ 16,328.05
Municipal Court	81.26
	\$ 16,409.31

Rental of Municipally Owned Property

Rents Receivable	\$ 324,338.50
Prepayments Applied	3,015.00
	\$ 327,353.50

(Continued)

BOROUGH OF BROOKLAWN
CURRENT FUND
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2018

Miscellaneous Revenue Not Anticipated	
Vacany Property Regristration	\$ 38,380.80
Recycling	2,030.23
Police Reports	902.63
Register	190.00
Zoning	875.00
Copies	2.00
Cable TV	12,986.63
Bad Check Service Charge	100.00
Bus Shelters	845.00
Gateway Railroad Lease	1,300.00
Property Maintenance Revenue	9,234.60
Certificate of Redemption	100.00
Refund-DMV Inspections Issued	150.00
Senior Citizen & Veteran State Administrative Fee	346.52
Homestead Rebate Administrative Fee	243.00
Reseeding the Ball Field/School Contribution	525.00
Refund from HIF	45,541.00
FEMA Reimbursement (Hurricane Irene)	2,370.24
Miscellaneous	4,487.09
Marriage License - Borough	27.00
Zoning List	120.00
Inspection Fees	5,476.00
Police Outside Employment - Administrative Fees	10,000.00
Gun Permits	41.00
Donations	200.00
PILOT	46,889.27
	46,889.27
	\$ 183,363.01

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF BROOKLAWN
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2018

	Appropriations		Expended			Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
<u>OPERATIONS WITHIN "CAPS"</u>						
<u>GENERAL GOVERNMENT:</u>						
Administrative and Executive						
Salaries and Wages:						
Municipal Clerk's Office	\$ 92,500.00	\$ 92,500.00	\$ 92,029.43		\$ 470.57	
Mayor and Council	18,300.00	18,300.00	18,300.00			
Borough Recorder	120.00	120.00	112.20		7.80	
Other Expenses:						
Printing and Legal	3,100.00	3,100.00	1,000.95	\$ 238.17	1,860.88	
Mayor and Council	3,100.00	5,200.00	5,177.95		22.05	
Miscellaneous Other Expenses	74,000.00	64,000.00	47,995.49	5,755.14	10,249.37	
Elections						
Other Expenses	2,000.00	2,000.00	1,382.96		617.04	
Financial Administration						
Salaries and Wages:						
Treasurer's Office	31,000.00	31,000.00	28,443.89		2,556.11	
Chief Financial Officer	40,000.00	42,500.00	42,177.94		322.06	
Other Expenses:						
Annual Audit	31,000.00	31,000.00	30,700.00		300.00	
Assessment of Taxes						
Salaries and Wages	8,800.00	8,800.00	8,199.96		600.04	
Other Expenses	1,500.00	1,500.00	583.85		916.15	
Collection of Taxes						
Salaries and Wages	31,500.00	32,500.00	32,212.12		287.88	
Other Expenses	4,500.00	4,500.00	3,266.85		1,233.15	
Legal Services						
Other Expenses	50,000.00	50,000.00	46,039.09		3,960.91	
Administration of Borough-Owned Homes						
Salaries and Wages	12,000.00	12,000.00	10,940.02		1,059.98	

(Continued)

BOROUGH OF BROOKLAWN
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2018

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
OPERATIONS WITHIN "CAPS" (CONT'D)						
Engineering Services and Costs						
Other Expenses	\$ 40,000.00	\$ 45,400.00	\$ 41,434.37	\$ 1,150.00	\$ 2,815.63	
Public Buildings and Grounds						
Other Expenses	53,000.00	53,500.00	44,858.38	7,655.21	986.41	
Maintenance of Borough Owned Homes						
Salaries and Wages	17,500.00	17,500.00	16,889.64		610.36	
Other Expenses	62,000.00	66,000.00	57,944.29	5,320.76	2,734.95	
Municipal Land Use Law (N.J.S.A. 40:55D-1)						
Planning and Zoning Boards						
Salaries and Wages	4,500.00	5,100.00	5,060.71		39.29	
Other Expenses	4,000.00	4,000.00	2,600.80		1,399.20	
Insurance:						
Group Insurance Plans for Employees	400,500.00	326,900.00	289,460.67		37,439.33	
Health Benefit Waiver	18,000.00	21,300.00	21,240.40		59.60	
Worker's Compensation Insurance	82,277.76	82,277.76	82,277.76			
Other Insurance Premiums	83,000.00	79,800.00	74,079.44		5,720.56	
Animal Control						
Other Expenses	7,500.00	7,500.00	3,825.00	300.00	3,375.00	
Celebration of Public Events						
Other Expenses	9,000.00	9,000.00	8,788.86	79.96	131.18	
PUBLIC SAFETY:						
Fire						
Other Expenses	37,000.00	37,000.00	35,718.95	682.95	598.10	
Fire Inspector						
Salaries and Wages	5,500.00	5,501.00	5,470.01		30.99	
Other Expenses	3,000.00	3,000.00	2,176.87	818.94	4.19	
Police						
Salaries and Wages	650,000.00	650,000.00	633,238.08		16,761.92	
Other Expenses	68,000.00	80,000.00	71,824.68	7,671.15	504.17	

(Continued)

BOROUGH OF BROOKLAWN
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2018

	Appropriations		Expended			Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
<u>OPERATIONS WITHIN "CAPS" (CONT'D)</u>						
<u>PUBLIC SAFETY (CONT'D):</u>						
Municipal Code Enforcement Official						
Salaries and Wages	\$ 32,000.00	\$ 32,000.00	\$ 31,674.58		\$ 325.42	
Other Expenses	1,500.00	1,500.00	501.54	\$ 373.93	624.53	
Office of Emergency Management						
Salaries and Wages	1,200.00	1,200.00	1,200.00			
Other Expenses	3,500.00	3,500.00	1,225.90		2,274.10	
Traffic Signals						
Other Expenses	2,800.00	2,800.00	1,958.90		841.10	
Streets and Roads						
Road Repairs and Maintenance						
Salaries and Wages	60,000.00	105,049.00	104,368.84		680.16	
Other Expenses	7,800.00	8,300.00	6,727.35	77.00	1,495.65	
Vehicle Maintenance						
Other Expenses	35,000.00	52,000.00	47,533.48	1,658.19	2,808.33	
Sanitation						
Sewer System						
Salaries and Wages	45,000.00	46,000.00	44,955.84		1,044.16	
Other Expenses	16,500.00	16,500.00	11,230.49	63.75	5,205.76	
Garbage and Trash Removal						
Salaries and Wages	62,000.00	57,000.00	51,719.01		5,280.99	
Other Expenses	3,500.00	3,500.00	1,764.88	103.50	1,631.62	
Sanitary Landfill						
Other Expenses	63,000.00	66,200.00	58,898.68	6,400.00	901.32	
Recycling						
Salaries and Wages	35,000.00	27,000.00	16,768.15		10,231.85	
Other Expenses	11,000.00	11,000.00	5,990.73	1,490.85	3,518.42	

(Continued)

BOROUGH OF BROOKLAWN
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2018

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
HEALTH AND WELFARE:						
Board of Health						
Salaries and Wages	\$ 500.00	\$ 500.00	\$ 500.00			
Other Expenses	1,500.00	1,500.00	309.00		\$ 1,191.00	
Parks and Playgrounds						
Other Expenses	30,000.00	30,500.00	29,896.05		603.95	
Shade Tree Commission						
Other Expenses	10,000.00	10,500.00	10,250.00		250.00	
STATE UNIFORM CONSTRUCTION CODE:						
Construction Code Official						
Salaries and Wages	9,000.00	9,650.00	7,296.77	\$ 2,305.00	48.23	
Subcode Officials:						
Electrical Inspector						
Salaries and Wages	6,000.00	6,000.00	5,480.02		519.98	
Fire Inspector						
Salaries and Wages	3,800.00	3,800.00	3,420.00		380.00	
Plumbing Official						
Salaries and Wages	5,000.00	5,000.00	3,557.76		1,442.24	
UNCLASSIFIED:						
Utilities:						
Utilities	165,000.00	165,000.00	135,589.21	4,531.74	24,879.05	
Total Operations Within "CAPS"	2,558,797.76	2,558,797.76	2,348,268.79	46,676.24	163,852.73	\$ -
Total Operations Including Contingent - within "CAPS"						
Detail:						
Salaries and Wages	1,171,220.00	1,209,020.00	1,164,014.97	2,305.00	42,700.03	-
Other Expenses	1,387,577.76	1,349,777.76	1,184,253.82	44,371.24	121,152.70	-

(Continued)

BOROUGH OF BROOKLAWN
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2018

	<u>Appropriations</u>		<u>Expended</u>		<u>Unexpended Balance Canceled</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>		<u>Reserved</u>
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS":</u>						
STATUTORY EXPENDITURES:						
Contribution to:						
Public Employees Retirement Systems	\$ 68,421.37	\$ 68,421.37	\$ 68,421.37			
Police and Fireman's Retirement System of New Jersey	119,489.00	119,489.00	119,489.00			
Social Security System (O.A.S.I.)	83,000.00	83,000.00	78,746.39		\$ 4,253.61	
Unemployment Compensation Insurance	1.00	1.00			1.00	
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"	<u>270,911.37</u>	<u>270,911.37</u>	<u>266,656.76</u>	<u>\$ -</u>	<u>4,254.61</u>	<u>\$ -</u>
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	<u>2,829,709.13</u>	<u>2,829,709.13</u>	<u>2,614,925.55</u>	<u>46,676.24</u>	<u>168,107.34</u>	<u>-</u>
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>						
Recycling Tax	3,400.00	3,400.00	2,123.49		1,276.51	
Interlocal Service Agreement - Borough of Merchantville Electrical Sub-code Official Services	1,000.00	1,000.00	999.99		0.01	
Interlocal Service Agreement - Audubon Park Tax Collection Services	2,500.00	2,500.00	2,500.00			
Interlocal Service Agreement - Borough of Westville Electrical Sub-code Official Services	9,000.00	9,000.00	9,000.00			
Interlocal Service Agreement - Borough of Oaklyn Municipal Court Services	118,000.00	118,000.00	85,246.11	32,000.00	753.89	
Interlocal Service Agreement - Borough of Westville Administrator Services	47,500.00	47,500.00	47,499.99		0.01	
Total Other Operations Excluded from "CAPS"	<u>181,400.00</u>	<u>181,400.00</u>	<u>147,369.58</u>	<u>32,000.00</u>	<u>2,030.42</u>	<u>-</u>

(Continued)

BOROUGH OF BROOKLAWN
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2018

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
OPERATIONS EXCLUDED FROM "CAPS" (CONT'D)						
Public and Private Programs Offset by Revenues:						
Municipal Alliance on Alcoholism and Drug Abuse	\$ 8,390.50	\$ 8,390.50	\$ 8,390.50			
Recycling Tonnage Grant	5,244.72	5,244.72	5,244.72			
Clean Communities (N.J.S.A. 40A:4-87, \$4,000.00+)		4,000.00	4,000.00			
Drive Sober or Get Pulled Over (N.J.S.A. 40A:4-87, \$6,600.00+)		6,600.00	6,600.00			
Drunk Driving Enforcement Grant (N.J.S.A. 40A:4-87, \$4,000.00+)		4,000.00	4,000.00			
Safe & Secure Communities Grant	30,000.00	30,000.00	30,000.00			
Total Public and Private Programs Offset by Revenues	43,635.22	58,235.22	58,235.22	\$ -	\$ -	\$ -
TOTAL OPERATIONS - EXCLUDED FROM "CAPS"	225,035.22	239,635.22	205,604.80	32,000.00	2,030.42	-
Detail:						
Salaries and Wages	30,000.00	34,000.00	34,000.00	-	-	-
Other Expenses	195,035.22	205,635.22	171,604.80	32,000.00	2,030.42	-
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS":						
Capital Improvement Fund	10,000.00	10,000.00	10,000.00			
TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"	10,000.00	10,000.00	10,000.00	-	-	-
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"						
Payment of Bond Application Notes and Capital Notes	209,000.00	209,000.00	209,000.00			
Interest on Notes	38,947.65	38,947.65	38,934.76			12.89
TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"	247,947.65	247,947.65	247,934.76	-	-	12.89

(Continued)

BOROUGH OF BROOKLAWN
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2018

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
<u>DEFERRED CHARGES</u>						
<u>EXCLUDED FROM "CAPS"</u>						
Special Emergency Authorizations	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ -	\$ -	\$ -
TOTAL DEFERRED CHARGES EXCLUDED FROM "CAPS"	10,000.00	10,000.00	10,000.00	-	-	-
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	492,982.87	507,582.87	473,539.56	32,000.00	2,030.42	12.89
SUBTOTAL GENERAL APPROPRIATIONS	3,322,692.00	3,337,292.00	3,088,465.11	78,676.24	170,137.76	12.89
RESERVE FOR UNCOLLECTED TAXES	180,088.00	180,088.00	180,088.00	-	-	-
TOTAL GENERAL APPROPRIATIONS	<u>\$ 3,502,780.00</u>	<u>\$ 3,517,380.00</u>	<u>\$ 3,268,553.11</u>	<u>\$ 78,676.24</u>	<u>\$ 170,137.76</u>	<u>\$ 12.89</u>
Budget		\$ 3,502,780.00				
Appropriation by N.J.S.A. 40A:4-87		14,600.00				
		<u>\$ 3,517,380.00</u>				
Federal and State Grants - Appropriated			\$ 58,235.22			
Special Emergency Authorizations			10,000.00			
Reserve for Uncollected Taxes			180,088.00			
Payroll Deductions Payable			611,413.06			
Disbursed			2,408,816.83			
			<u>\$ 3,268,553.11</u>			

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF BROOKLAWN
TRUST OTHER FUND
 Statements of Assets, Liabilities and Reserves - Regulatory Basis
 As of December 31, 2018 and 2017

<u>ASSETS</u>	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Animal Control Fund:			
Cash	SB-1	\$ 197.82	\$ 2,984.48
Other Funds:			
Cash	SB-1	241,183.11	242,234.60
Due from Water Operating Fund	SB-1		445.20
Due from Current Fund	SB-4	3,463.70	
Community Development Block Grants Receivable	SB-5	3,671.46	22,771.46
		<u>248,318.27</u>	<u>265,451.26</u>
		<u>\$ 248,516.09</u>	<u>\$ 268,435.74</u>
 <u>LIABILITIES AND RESERVES</u>			
Animal Control Fund:			
Reserve for Animal Control Expenditures	SB-2	\$ 197.55	\$ 2,979.55
Due to Current Fund	SB-3	0.27	4.93
		<u>197.82</u>	<u>2,984.48</u>
Other Funds:			
Due to Current Fund	SB-4		2,266.52
Reserves for:			
Drug Awareness Resistance Education (DARE)	B	72.88	72.88
Performance Guarantees	B	3,000.00	3,000.00
Replacement of Borough Owned Homes	B	10.17	10.17
Off Duty Police Work	SB-6	99,490.75	109,334.35
Community Development Block Grants	SB-7	50,795.00	29,195.00
Security Deposits on Borough Owned Homes	SB-8	37,783.25	33,034.87
Unemployment Compensation Insurance	SB-9	5,946.34	10,408.41
Parking Offenses Adjudication Act	SB-10	425.00	411.00
Local Law Enforcement	SB-11	3,766.64	4,993.03
Public Defender Fees	SB-12	10,348.27	4,407.27
Recreation Donations	SB-13	5,453.98	3,266.33
Tax Title Lien Redemptions	SB-14	2,261.49	11,612.48
Tax Sale Premiums	SB-15	23,900.00	46,400.00
Escrow Deposits	SB-16	5,064.50	7,038.95
		<u>248,318.27</u>	<u>265,451.26</u>
		<u>\$ 248,516.09</u>	<u>\$ 268,435.74</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF BROOKLAWN
GENERAL CAPITAL FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
 As of December 31, 2018 and 2017

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<u>ASSETS</u>			
Cash	SC-1	\$ 1,819,874.80	\$ 1,658,703.46
Deferred Charges to Future Taxation:			
Unfunded	SC-3	2,869,837.00	2,983,837.00
Due from Current Fund	SC-4	92,988.46	43,363.13
N.J. Transportation Trust Fund Grant Receivable	SC-6	83,009.45	168,820.52
Community Development Block Grant	SC-2	19,100.00	19,100.00
		<u>\$ 4,884,809.71</u>	<u>\$ 4,873,824.11</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Reserve to Pay Notes	SC-2	\$ 25,376.71	\$ 25,376.71
Capital Improvement Fund	SC-5	15,550.28	10,550.28
Contracts Payable	SC-7		70,535.00
Improvement Authorizations:			
Funded	SC-9	143,788.25	18,788.25
Unfunded	SC-9	2,012,757.47	1,912,502.37
Bond Anticipation Notes	SC-10	2,687,337.00	2,801,337.00
Fund Balance	C		34,734.50
		<u>\$ 4,884,809.71</u>	<u>\$ 4,873,824.11</u>

Bonds and notes authorized but not issued on December 31, 2018 and 2017 were \$182,500.00.

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF BROOKLAWN
GENERAL CAPITAL FUND
Statement of Fund Balance - Regulatory Basis
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 34,734.50
Decreased by:	
Payment to Current Fund as Anticipated Revenue	<u>\$ 34,734.50</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF BROOKLAWN
WATER UTILITY FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
 As of December 31, 2018 and 2017

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<u>ASSETS</u>			
Operating Fund:			
Cash - Treasurer	SD-1	\$ 218,005.37	\$ 196,117.01
Due from Water Utility Capital Fund	SD-1	431.29	1,614.50
		<u>218,436.66</u>	<u>197,731.51</u>
Receivables With Full Reserves			
Consumer Accounts Receivable	SD-3	5,129.07	110,964.74
		<u>223,565.73</u>	<u>308,696.25</u>
Total Operating Fund			
Capital Fund:			
Cash	SD-1	1,013,962.12	971,459.30
Fixed Capital	SD-4	2,998,133.54	2,998,133.54
Fixed Capital Authorized and Uncompleted	SD-5	1,789,099.20	1,649,099.20
		<u>5,801,194.86</u>	<u>5,618,692.04</u>
Total Capital Fund			
		<u>\$ 6,024,760.59</u>	<u>\$ 5,927,388.29</u>

(Continued)

BOROUGH OF BROOKLAWN
WATER UTILITY FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
 As of December 31, 2018 and 2017

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves	D-3;SD-6	\$ 12,016.90	\$ 25,668.05
Reserve for Encumbrances	D-3;SD-6	12,705.87	10,005.66
Due to Bank	D	0.02	
Due to Trust Other Fund	SD-1		445.20
Due to Current Fund	SD-1	2,682.21	8,638.69
Accrued Interest on Notes	SD-7	17,495.03	2,137.14
		<u>44,900.03</u>	<u>46,894.74</u>
Reserve for Receivables	D	5,129.07	110,964.74
Fund Balance	D-1	173,536.63	150,836.77
Total Operating Fund		<u>223,565.73</u>	<u>308,696.25</u>
Capital Fund:			
Reserve for Payment of Debt	D	5,322.36	5,322.36
Due to Water Utility Operating Fund	SD-2	431.29	1,614.50
Capital Improvement Fund	SD-8	2,000.00	12,000.00
Improvement Authorizations			
Funded	SD-9	11,930.27	11,930.27
Unfunded	SD-9	673,141.04	602,184.79
Contracts Payable	SD-10	302,684.92	319,955.14
Reserve for Amortization	SD-11	2,879,483.47	2,806,413.47
Deferred Reserve for Amortization	SD-12	11,930.27	11,930.27
Bond Anticipation Notes	SD-13	1,901,520.00	1,834,590.00
Fund Balance	D	12,751.24	12,751.24
Total Capital Fund		<u>5,801,194.86</u>	<u>5,618,692.04</u>
		<u>\$ 6,024,760.59</u>	<u>\$ 5,927,388.29</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF BROOKLAWN
WATER UTILITY FUND
 Statements of Operations and Changes in Fund Balance - Regulatory Basis
 For the Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Revenue and Other Income Realized:		
Operating Surplus Anticipated	\$ 50,000.00	\$ 40,870.00
Rents	445,576.48	457,981.65
Miscellaneous	23,378.96	22,458.85
Water Tower Lease	18,200.00	16,800.00
Unexpended Balance of Appropriation Reserves	<u>25,744.42</u>	<u>4,275.69</u>
Total Income	<u>562,899.86</u>	<u>542,386.19</u>
Expenditures:		
Operations:		
Salaries and Wages	175,000.00	178,000.00
Other Expenses	206,499.00	192,989.00
Debt Service	94,200.00	77,179.84
Deferred Charges and Statutory Expenditures	<u>14,501.00</u>	<u>14,501.00</u>
Total Expenditures	<u>490,200.00</u>	<u>462,669.84</u>
Excess in Revenue	72,699.86	79,716.35
Adjustments to Income before Fund Balance:		
Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Year	<u>-</u>	<u>-</u>
Statutory Excess to Fund Balance	72,699.86	79,716.35
Fund Balance January 1	<u>150,836.77</u>	<u>111,990.42</u>
Total	223,536.63	191,706.77
Decreased by:		
Utilization as Anticipated Revenue	<u>50,000.00</u>	<u>40,870.00</u>
Fund Balance December 31	<u><u>\$ 173,536.63</u></u>	<u><u>\$ 150,836.77</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF BROOKLAWN
WATER UTILITY FUND
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2018

	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Operating Surplus Anticipated	\$ 50,000.00	\$ 50,000.00	
Water Rents	406,000.00	445,576.48	\$ 39,576.48
Miscellaneous	17,400.00	23,378.96	5,978.96
Water Tower Lease	<u>16,800.00</u>	<u>18,200.00</u>	<u>1,400.00</u>
	<u>\$ 490,200.00</u>	<u>\$ 537,155.44</u>	<u>\$ 46,955.44</u>

Analysis of Realized Revenue

Miscellaneous:

Interest on Delinquent Accounts	\$ 2,484.70
Meter Fees	480.00
Water Allocation for Westville	15,000.00
Interest on Deposits	<u>911.32</u>
	18,876.02
Interest on Water Capital Checking Account	<u>4,502.94</u>
	<u>\$ 23,378.96</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF BROOKLAWN
WATER UTILITY FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2018

	Appropriations		Expended		Unexpended
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved
Operations:					
Salaries and Wages	\$ 190,000.00	\$ 175,000.00	\$ 165,917.95		\$ 9,082.05
Other Expenses	174,999.00	189,999.00	176,436.45	\$ 12,705.87	856.68
Annual Audit	16,500.00	16,500.00	16,500.00		
Total Operations	<u>381,499.00</u>	<u>381,499.00</u>	<u>358,854.40</u>	<u>12,705.87</u>	<u>9,938.73</u>
Debt Service:					
Payment of Bond Anticipation Notes	73,200.00	73,070.00	73,070.00		
Interest on Notes	21,000.00	21,130.00	21,130.00		
Total Debt Service	<u>94,200.00</u>	<u>94,200.00</u>	<u>94,200.00</u>	<u>-</u>	<u>-</u>
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)	14,500.00	14,500.00	12,422.83		2,077.17
Unemployment Compensation Insurance	1.00	1.00			1.00
Total Deferred Charges and Statutory Expenditures:	<u>14,501.00</u>	<u>14,501.00</u>	<u>12,422.83</u>	<u>-</u>	<u>2,078.17</u>
Total Water Utility Appropriations	<u>\$ 490,200.00</u>	<u>\$ 490,200.00</u>	<u>\$ 465,477.23</u>	<u>\$ 12,705.87</u>	<u>\$ 12,016.90</u>
			\$ 36,487.89		
Interest on Bond and Notes Disbursed			<u>428,989.34</u>		
			<u>\$ 465,477.23</u>		

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF BROOKLAWN
PUBLIC ASSISTANCE TRUST FUND
 Statements of Assets, Liabilities and Reserves - Regulatory Basis
 As of December 31, 2018 and 2017

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<u>ASSETS</u>			
Cash	SE-1	<u>\$ 550.97</u>	<u>\$ 551.32</u>
 <u>LIABILITIES AND RESERVES</u>			
Due to Current Fund	SE-1	\$ 0.23	\$ 0.58
Reserve for Public Assistance	E	<u>550.74</u>	<u>550.74</u>
		<u>\$ 550.97</u>	<u>\$ 551.32</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF BROOKLAWN
GENERAL FIXED ASSETS ACCOUNT GROUP
Statement of General Fixed Asset Group of Accounts - Regulatory Basis
For the Year Ended December 31, 2018

	Balance <u>Dec. 31, 2017</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>Dec. 31, 2018</u>
General Fixed Assets:				
Land	\$ 1,692,000.00			\$ 1,692,000.00
Building	3,244,400.00			3,244,400.00
Equipment	<u>2,540,860.54</u>	<u>\$ 27,928.72</u>	<u>\$ 12,655.00</u>	<u>2,556,134.26</u>
Total General Fixed Assets	<u>\$ 7,477,260.54</u>	<u>\$ 27,928.72</u>	<u>\$ 12,655.00</u>	<u>\$ 7,492,534.26</u>
Total Investment in General Fixed Assets	<u>\$ 7,477,260.54</u>	<u>\$ 27,928.72</u>	<u>\$ 12,655.00</u>	<u>\$ 7,492,534.26</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF BROOKLAWN
Notes to Financial Statements
For the Year Ended December 31, 2018

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Borough of Brooklawn (hereafter referred to as the "Borough") was incorporated as a Borough on April 5, 1924 and is located in southwest New Jersey directly across the Delaware River from the City of Philadelphia. The population according to the latest census is 1,955.

The Borough has a Mayor-Council form of government known as the Mayor-Council Plan A under the Optional Municipal Charter Law of 1960, popularly known as the Faulkner Act. The Mayor is separately elected. Executive and administrative responsibility rests with the Mayor, who is assisted by the Administrator/ Borough Clerk / Chief Financial Officer.

Component Units - The Borough had no component units as defined by Governmental Accounting Standards Board Statement No. 14, as amended by GASB Statements No. 39, No. 61 and No. 80.

Measurement Focus, Basis of Accounting and Financial Statement Presentation - The financial statements of the Borough contain all funds and account groups in accordance with the *Requirements of Audit* (the "*Requirements*") as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the *Requirements* are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these *Requirements*. In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United States of America applicable to local government units. The more significant differences are explained in this note.

In accordance with the *Requirements*, the Borough accounts for its financial transactions through the use of separate funds and an account group which are described as follows:

Current Fund - The current fund accounts for resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

Trust Funds - The various trust funds account for receipts, custodianship, and disbursement of funds in accordance with the purpose for which each reserve was created.

General Capital Fund - The general capital fund accounts for receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the current fund.

Water Utility Operating and Capital Funds - The water utility operating and capital funds account for the operations and acquisition of capital facilities of the municipally owned water operations.

Public Assistance Fund - The Public Assistance Fund accounts for receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey statutes. The governing body resolved to transfer all public assistance activities to the County of Camden effective December 31, 1998.

General Fixed Asset Group of Accounts - The general fixed asset group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other governmental funds.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Budgets and Budgetary Accounting - The Borough must adopt an annual budget for its current and water utility funds in accordance with N.J.S.A. 40A:4 et seq. N.J.S.A. 40A:4-5 requires the governing body to introduce and approve the annual municipal budget no later than February 10 of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with N.J.S.A. 40A:4-9. Amendments to adopted budgets, if any, are detailed in the statements of revenues and expenditures.

An extension of the statutory dates for introduction, approval, and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services, with the permission of the Local Finance Board.

Budgets are adopted on the same basis of accounting utilized for the preparation of the Borough's financial statements.

Cash, Cash Equivalents and Investments - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost; therefore, unrealized gains or losses on investments have not been recorded.

New Jersey municipal units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

The cash management plan adopted by the Borough requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

Interfunds - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Interfund receivables in the current fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

Inventories of Supplies - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various statements of assets, liabilities, reserves and fund balance.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

General Fixed Assets - Accounting for governmental fixed assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and *Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Part 200, §200.12), except that the useful life of such property is at least five years. The Borough has adopted a capitalization threshold of \$1,000.00, an amount below the \$5,000.00 maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Borough is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed asset group of accounts, reflecting the activity for the year, must be included in the Borough's basic financial statements.

The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that include accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of Federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. Lastly, all fixed assets must be adequately controlled to safeguard against loss, damage, or theft.

Utility Fixed Assets - Property and equipment purchased by a utility fund are recorded in the utility capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not represent replacement cost or current value. The reserve for amortization and deferred reserve for amortization accounts in the utility capital fund represent charges to operations for the cost of acquisition of property and equipment, improvements, and contributed capital.

Foreclosed Property - Foreclosed property is recorded in the current fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the general fixed asset group of accounts. If such property is converted to a municipal use, it will be recorded in the general fixed asset group of accounts.

Deferred Charges - The recognition of certain expenditures is deferred to future periods. These expenditures, or deferred charges, are generally over-expenditures of legally adopted budget appropriations or emergency appropriations made in accordance with N.J.S.A. 40A:4-46 et seq. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

Liens Sold for Other Governmental Units - Liens sold on behalf of other governmental units are not recorded on the records of the tax collector until such liens are collected. Upon their collection, such liens are recorded as a liability due to the governmental unit net of the costs of the initial sale. The related costs of sale are recognized as revenue when received.

Fund Balance - Fund balances included in the current fund and water utility operating fund represent amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Revenues - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from federal and state grants is realized when anticipated as such in the Borough's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the Borough's current fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due to the Borough which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

Property Tax Revenues - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Borough's annual budget, but also the amounts required in support of the budgets of the County of Camden and the Borough of Brooklawn School District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

School Taxes - The Borough is responsible for levying, collecting, and remitting school taxes for the Borough of Brooklawn School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district for the period July 1 to June 30, increased by the amount deferred at December 31, 2017 and decreased by the amount deferred at December 31, 2018.

County Taxes - The municipality is responsible for levying, collecting, and remitting county taxes for the County of Camden. County taxes are determined on a calendar year by the County Board of Taxation based upon the ratables required to be certified to them on January 10 of each year. Operations is charged for the amount due to the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations is charged for the County share of added and omitted taxes certified to the County Board of Taxation by October 10 of the current year, and due to be paid to the County by February 15 of the following year.

Reserve for Uncollected Taxes - The inclusion of the "reserve for uncollected taxes" appropriation in the Borough's annual budget protects the Borough from taxes not paid currently. The reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

Expenditures - Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when paid. However, for charges to amounts appropriated for "other expenses", an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed in accordance with N.J.A.C. 5:30-5.2. When encumbered charges are paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis; whereas interest on utility indebtedness is on the accrual basis.

Appropriation Reserves - Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments, or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as income.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Long-Term Debt - Long-term debt, relative to the acquisition of capital assets, is recorded as a liability in the general capital and utility capital funds. Where an improvement is a "local Improvement", i.e. assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the trust fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

Compensated Absences and Postemployment Benefits - Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for postemployment benefits, if any, which are also funded on a pay-as-you-go basis.

Impact of Recently Issued Accounting Principles**Recently Issued and Adopted Accounting Pronouncements**

For the year ended December 31, 2018, the Borough adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. As a result of adopting Statement No. 75, the Borough was required to measure and disclose liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to their postemployment benefits plan. As a result of the regulatory basis of accounting previously described in note 1, the implementation of this Statement only required financial statement disclosures. There exists no impact on the financial statements of the Borough.

Note 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Borough's deposits might not be recovered. Although the Borough does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of December 31, 2018, the Borough's bank balances of \$5,303,815.69 were insured by FDIC or GUDPA.

New Jersey Cash Management Fund - During the year, the Borough participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. At December 31, 2018, the Borough's deposits with the New Jersey Cash Management Fund were \$2,457.05.

Note 3: PROPERTY TAXES

The following is a five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four calendar years:

Comparative Schedule of Tax Rates

	<u>Year Ended</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Tax Rate	<u>\$ 4.033</u>	<u>\$ 3.900</u>	<u>\$ 3.090</u>	<u>\$ 3.059</u>	<u>\$ 3.035</u>
Apportionment of Tax Rate:					
Municipal	\$ 1.781	\$ 1.762	\$ 1.400	\$ 1.380	\$ 1.345
County	.975	.881	.706	.728	.747
County Open Space Trust Fund	.023	.020	.017	.018	.018
Local School	1.254	1.237	.967	.933	.925

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2018	\$ 113,158,800.00
2017	111,879,600.00
2016	138,818,400.00
2015	140,133,300.00
2014	141,271,400.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2018	\$ 4,567,701.36	\$ 4,493,666.60	98.38%
2017	4,366,708.54	4,318,272.91	98.89%
2016	4,289,488.56	4,180,289.28	97.45%
2015	4,301,259.54	4,147,093.37	96.42%
2014	4,287,656.29	4,132,271.02	96.38%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2018	\$ 92,509.17	\$ 61,471.95	\$ 153,981.12	3.37%
2017	81,442.60	94,364.47	175,807.07	4.03%
2016	70,741.00	69,998.22	140,739.22	3.28%
2015	71,266.87	119,647.01	190,913.88	4.44%
2014	53,636.92	125,847.66	179,484.58	4.19%

Note 3: PROPERTY TAXES (CONT'D)

The following comparison is made of the number of tax title liens receivable on December 31 for the current and previous four calendar years:

<u>Year</u>	<u>Number</u>
2018	5
2017	5
2016	6
2015	6
2014	5

Note 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties, for the current and previous four years was as follows:

<u>Year</u>	<u>Amount</u>
2018	\$ 69,700.00
2017	69,700.00
2016	69,700.00
2015	69,700.00
2014	69,700.00

Note 5: WATER UTILITY SERVICE CHARGES

The following is a five-year comparison of water utility service charges (rents) for the current and previous four years:

<u>Year</u>	<u>Balance Beginning of Year Receivable</u>	<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>
2018	\$ 110,964.74	\$ 339,740.81	\$ 450,705.55	\$ 445,576.48
2017	123,150.42	445,795.40	568,945.82	457,981.65
2016	118,672.17	450,927.55	569,599.72	446,088.40
2015	91,945.10	429,494.71	521,439.81	402,767.64
2014	114,346.01	380,076.67	494,422.68	402,477.58

Note 6: FUND BALANCES APPROPRIATED

The following schedules detail the amount of fund balances available at the end of the current year and four previous years and the amounts utilized in the subsequent year's budgets:

Current Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2018	\$ 1,398,662.09	\$ 450,000.00	32.17%
2017	1,223,592.41	405,500.00	33.14%
2016	962,156.39	390,000.00	40.53%
2015	812,366.96	325,000.00	40.01%
2014	660,812.72	335,000.00	50.70%

Water Utility Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2018	\$ 173,536.63	\$ 60,000.00	34.57%
2017	151,157.02	50,000.00	33.08%
2016	111,990.42	40,870.00	36.49%
2015	28,807.72	6,000.00	20.83%
2014	35,131.44	20,900.00	59.49%

Note 7: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2018:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 2,682.71	\$ 96,452.16
Trust - Animal Control		0.27
Trust - Other	3,463.70	
General Capital	92,988.46	
Water Utility - Operating	431.29	2,682.21
Water Utility - Capital		431.29
Public Assistance Fund		0.23
Totals	<u>\$ 99,566.16</u>	<u>\$ 99,566.16</u>

The interfund receivables and payables above predominately resulted from collections and payments made by certain funds on behalf of other funds. During the year 2019, the Borough expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 8: PENSION PLANS

A substantial number of the Borough's employees participate in one of the following defined benefit pension plans: the Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS"), which are administered by the New Jersey Division of Pensions and Benefits. In addition, Borough employees may participate in the Defined Contribution Retirement Program ("DCRP"), which is a defined contribution pension plan. This Plan is administered by Prudential Financial for the New Jersey Division of Pensions and Benefits. Each Plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295

<http://www.state.nj.us/treasury/pensions/financial-reports.shtml>

General Information about the Pension Plans**Plan Descriptions**

Public Employees' Retirement System - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the Borough, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS's Board of Trustees is primarily responsible for the administration of the PERS.

Police and Firemen's Retirement System - The Police and Firemen's Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A. The PFRS's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PFRS is mandatory for substantially all full-time police and firemen of the Borough. The PFRS's Board of Trustees is primarily responsible for the administration of the PFRS.

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in PFRS after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions**

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A and 43:3B. The PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

The following represents the membership tiers for PERS:

Tier Definition

- 1 Members who were enrolled prior to July 1, 2007
- 2 Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
- 3 Members who were eligible to enroll on or after November 2, 2008 and prior to May 21, 2010
- 4 Members who were eligible to enroll after May 21, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Police and Firemen's Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:16A. The PFRS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except disability benefits, which vest after four years of service.

The following represents the membership tiers for PFRS:

Tier Definition

- 1 Members who were enrolled prior to May 22, 2010
- 2 Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
- 3 Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

Defined Contribution Retirement Program - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non-forfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non-forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

Contributions

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.34% in State fiscal year 2018. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (P.L. 2001, C. 366) was 10% in State fiscal year 2018. Employers' contribution are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

The Borough's contractually required contribution rate for the year ended December 31, 2018 was 15.18% of the Borough's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2018, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2018 is \$83,501.00, and was payable by April 1, 2019. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PERS measurement date of June 30, 2017, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2017 was \$64,756.00, which was paid on April 1, 2017. Employee contributions to the Plan during the year ended December 31, 2017 were \$42,307.68.

Police and Firemen's Retirement System - The contribution policy is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the active member contribution rate was 10% in State fiscal year 2018. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

Police and Firemen's Retirement System (Cont'd)-Special Funding Situation Component - Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a *special funding situation* as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the Plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the local participating employers related to this legislation.

The Borough's contractually required contribution rate for the year ended December 31, 2018 was 25.52% of the Borough's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2018, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2018 is \$127,566.00, and was payable by April 1, 2019. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PFRS measurement date of June 30, 2017, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2017 was \$113,461.00, which was paid on April 1, 2018. Employee contributions to the Plan during the year ended December 31, 2018 were \$49,991.90.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Borough, for the year ended December 31, 2018 was 2.84% of the Borough's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2018, the State's contractually required contribution, on-behalf of the Borough, to the pension plan for the year ended December 31, 2018 is \$14,204.00, and was payable by April 1, 2019. Based on the PFRS measurement date of June 30, 2017, the State's contractually required contribution, on-behalf of the Borough, to the pension plan for the year ended December 31, 2017 was \$11,085.00, which was paid on April 1, 2018.

Defined Contribution Retirement Program - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, Plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Borough contributes 3% of the employees' base salary, for each pay period, to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

No Borough employees participated in the Defined Contribution Retirement Program (DCRP).

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

Public Employees' Retirement System - At December 31, 2018, the Borough's proportionate share of the PERS net pension liability was \$1,652,892.00. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2018. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2018 measurement date, the Borough's proportion was 0.0083947861%, which was an increase of 0.0014046657% from its proportion measured as of June 30, 2017.

At December 31, 2018, the Borough's proportionate share of the PERS pension expense, calculated by the Plan as of the June 30, 2018 measurement date is \$105,504.00. This expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2018, the Borough's contribution to PERS was \$64,756.00, and was paid on April 1, 2018.

Police and Firemen's Retirement System - At December 31, 2018, the Borough's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Borough's Proportionate Share of Net Pension Liability	\$ 1,765,645.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Borough	<u>239,834.00</u>
	<u>\$ 2,005,479.00</u>

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2018. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2018 measurement date, the Borough's proportion was 0.0130482635%, which was an increase of 0.0002280789% from its proportion measured as of June 30, 2017. Likewise, at June 30, 2018, the State of New Jersey's proportion, on-behalf of the Borough, was 0.0130482635%, which was an increase of 0.0002280789% from its proportion, on-behalf of the Borough, measured as of June 30, 2017.

At December 31, 2018, the Borough's proportionate share of the PFRS pension expense, calculated by the Plan as of the June 30, 2018 measurement date is (\$17,062.00). This expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2018, the Borough's contribution to PFRS was \$113,461.00, and was paid on April 1, 2018.

At December 31, 2018, the State's proportionate share of the PFRS pension expense, associated with the Borough, calculated by the Plan as of the June 30, 2018 measurement date is \$239,834.00. This on-behalf expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1.

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources - At December 31, 2018, the Borough had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>			<u>Deferred Inflows of Resources</u>		
	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
Differences between Expected and Actual Experience	\$ 31,521.00	\$ 17,963.00	\$ 49,484.00	\$ 8,523.00	\$ 7,307.00	\$ 15,830.00
Changes of Assumptions	272,369.00	151,557.00	423,926.00	528,507.00	452,504.00	981,011.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	-	-	15,504.00	9,660.00	25,164.00
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	408,342.00	153,261.00	561,603.00	341,058.00	440,396.00	781,454.00
Borough Contributions Subsequent to the Measurement Date	41,751.00	63,783.00	105,534.00	-	-	-
	<u>\$ 753,983.00</u>	<u>\$ 386,564.00</u>	<u>\$ 1,140,547.00</u>	<u>\$ 893,592.00</u>	<u>\$ 909,867.00</u>	<u>\$ 1,803,459.00</u>

Deferred outflows of resources totaling \$41,751.00 and \$63,783.00 for PERS and PFRS, respectively, will be included as a reduction of the net pension liability in the year ending December 31, 2019. These amounts were based on an estimated April 1, 2020 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2018 to the Borough's year end of December 31, 2018.

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - The Borough will amortize the above other deferred outflow of resources and deferred inflows of resources related to pensions over the following number of years:

	PERS		PFRS	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience				
Year of Pension Plan Deferral:				
June 30, 2014	-	-	-	-
June 30, 2015	5.72	-	-	5.53
June 30, 2016	5.57	-	-	5.58
June 30, 2017	5.48	-	5.59	-
June 30, 2018	-	5.63	5.73	-
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	-	6.17	-
June 30, 2015	5.72	-	5.53	-
June 30, 2016	5.57	-	5.58	-
June 30, 2017	-	5.48	-	5.59
June 30, 2018	-	5.63	-	5.73
Net Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2014	-	5.00	-	5.00
June 30, 2015	5.00	-	5.00	-
June 30, 2016	5.00	-	5.00	-
June 30, 2017	-	5.00	-	5.00
June 30, 2018	-	5.00	-	5.00
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	6.44	6.17	6.17
June 30, 2015	5.72	5.72	5.53	5.53
June 30, 2016	5.57	5.57	5.58	5.58
June 30, 2017	5.48	5.48	5.59	5.59
June 30, 2018	5.63	5.63	5.73	5.73

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - Other amounts included as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future periods as follows:

<u>Year Ending Dec 31,</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
2019	\$ 25,348.00	\$ (138,822.00)	\$ (113,474.00)
2020	66.00	(108,499.00)	(108,433.00)
2021	(122,564.00)	(185,072.00)	(307,636.00)
2022	(88,047.00)	(130,448.00)	(218,495.00)
2023	3,837.00	(24,245.00)	(20,408.00)
	<u>\$ (181,360.00)</u>	<u>\$ (587,086.00)</u>	<u>\$ (768,446.00)</u>

Actuarial Assumptions

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PERS</u>	<u>PFRS</u>
Inflation Rate	2.25%	2.25%
Salary Increases:		
Through 2026	1.65% - 4.15% Based on Age	2.10% - 8.98% Based on Age
Thereafter	2.65% - 5.15% Based on Age	3.10% - 9.98% Based on Age
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience		
Study upon which Actuarial		
Assumptions were Based	July 1, 2011 - June 30, 2014	July 1, 2010 - June 30, 2013

For PERS, preretirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Conduent modified 2014 projection scale. Postretirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set-back 1 year for males and females) for service retirements and beneficiaries of former members. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent modified 2014 projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

Note 8: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)**

For PFRS, preretirement mortality rates were based on the RP-2000 Combined Healthy Mortality tables projected on a generational basis from the base year of 2000 to 2013 using Projection Scale BB and the Conduent modified 2014 projection scale thereafter. For preretirement accidental mortality, a custom table with representative rates was used and there is no mortality improvements assumed. Post-retirement mortality rates for male service retirements are based the RP-2000 Combined Healthy Mortality Tables projected on a generational basis using Projection Scale AA from the base year of 2012 to 2013 and the Conduent modified 2014 projection scale thereafter. Postretirement mortality rates for female service retirements and beneficiaries were based on the RP-2000 Combined Healthy Mortality Tables projected on a generational basis from the base year 2000 to 2013 using Projection Scale BB and the Conduent modified 2014 projection scale thereafter. Disability mortality rates were based on a custom table with representative rates and no mortality improvements assumed.

For PERS and PFRS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS' and PFRS' target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%
	<u>100.00%</u>	

Note 8: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)**

Discount Rate - The discount rate used to measure the total pension liability at June 30, 2018 was 5.66% for PERS and 6.51% for PFRS. For both PERS and PFRS, the respective single blended discount rates were based on the long-term expected rate of return on pension Plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rates assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the non-employer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments of current Plan members through 2046 for PERS and through 2062 for PFRS; therefore, the long-term expected rate of return on Plan investments was applied to projected benefit payments through 2046 for PERS and through 2062 for PFRS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liabilities.

Sensitivity of Borough's Proportionate Share of Net Pension Liability to Changes in the Discount Rate

Public Employees' Retirement System (PERS) - The following presents the Borough's proportionate share of the net pension liability at June 30, 2018, the Plan's measurement date, calculated using a discount rate of 5.66%, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	PERS		
	1% Decrease (4.66%)	Current Discount Rate (5.66%)	1% Increase (6.66%)
Borough's Proportionate Share of the Net Pension Liability	<u>\$ 2,078,321.00</u>	<u>\$ 1,652,892.00</u>	<u>\$ 1,295,984.00</u>

Police and Firemen's Retirement System (PFRS) - As previously mentioned, PFRS has a special funding situation, where the State of New Jersey pays a portion of the Borough's annual required contribution. As such, the net pension liability as of June 30, 2018, the Plan's measurement date, for the Borough and the State of New Jersey, calculated using a discount rate of 6.51%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	PFRS		
	1% Decrease (5.51%)	Current Discount Rate (6.51%)	1% Increase (7.51%)
Borough's Proportionate Share of the Net Pension Liability	\$ 2,363,097.00	\$ 1,765,645.00	\$ 1,272,856.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Borough	<u>320,988.05</u>	<u>239,834.00</u>	<u>172,896.69</u>
	<u>\$ 2,684,085.05</u>	<u>\$ 2,005,479.00</u>	<u>\$ 1,445,752.69</u>

Note 8: PENSION PLANS (CONT'D)**Pension Plan Fiduciary Net Position**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the respective fiduciary net position of the PERS and PFRS and additions to/deductions from PERS and PFRS' respective fiduciary net position have been determined on the same basis as they are reported by PERS and PFRS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For additional information about PERS and PFRS, please refer to the Plan's Comprehensive Annual Financial Report (CAFR) which can be found at <https://www.nj.gov/treasury/pensions/financial-reports.shtml>.

Supplementary Pension Information

In accordance with GASBS 68, the following information is also presented for the PERS and PFRS Pension Plans. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

Schedule of the Borough's Proportionate Share of the Net Pension Liability - Public Employees' Retirement System (PERS) (Last Six Years)

	<u>Measurement Date Ended June 30,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Borough's Proportion of the Net Pension Liability	0.0083947861%	0.0069901204%	0.0093776834%
Borough's Proportionate Share of the Net Pension Liability	\$ 1,652,892.00	\$ 1,627,188.00	\$ 2,777,401.00
Borough's Covered Payroll (Plan Measurement Period)	\$ 520,820.00	\$ 484,876.00	\$ 634,140.00
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	317.36%	335.59%	437.98%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.60%	48.10%	40.14%
	<u>Measurement Date Ended June 30,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Borough's Proportion of the Net Pension Liability	0.0078995565%	0.0076864518%	0.0079321327%
Borough's Proportionate Share of the Net Pension Liability	\$ 1,773,292.00	\$ 1,439,114.00	\$ 1,515,988.00
Borough's Covered Payroll (Plan Measurement Period)	\$ 545,516.00	\$ 534,796.00	\$ 547,784.00
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	325.07%	269.10%	276.75%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93%	52.08%	48.72%

Note 8: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of the Borough's Contributions - Public Employees' Retirement System (PERS) (Last Six Years)***

	<u>Year Ended December 31,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Borough's Contractually Required Contribution	\$ 83,501.00	\$ 64,756.00	\$ 83,310.00
Borough's Contribution in Relation to the Contractually Required Contribution	(83,501.00)	(64,756.00)	(83,310.00)
Borough's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Borough's Covered Payroll (Calendar Year)	\$ 550,019.00	\$ 560,715.00	\$ 499,789.00
Borough's Contributions as a Percentage of Covered Payroll	15.18%	11.55%	16.67%
	<u>Year Ended December 31,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Borough's Contractually Required Contribution	\$ 67,915.00	\$ 63,366.00	\$ 59,767.00
Borough's Contribution in Relation to the Contractually Required Contribution	(67,915.00)	(63,366.00)	(59,767.00)
Borough's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Borough's Covered Payroll (Calendar Year)	\$ 596,213.00	\$ 546,032.00	\$ 524,824.00
Borough's Contributions as a Percentage of Covered Payroll	11.39%	11.60%	11.39%

Note 8: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of the Borough's Proportionate Share of the Net Pension Liability - Police and Firemen's Retirement System (PFRS) (Last Six Years)***

	<u>Measurement Date Ended June 30,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Borough's Proportion of the Net Pension Liability	0.0130482635%	0.0128201846%	0.0156045217%
Borough's Proportionate Share of the Net Pension Liability	\$ 1,765,645.00	\$ 1,979,189.00	\$ 2,980,863.00
State's Proportionate Share of the Net Pension Liability associated with the Borough	239,834.00	221,686.00	250,319.00
Total	<u>\$ 2,005,479.00</u>	<u>\$ 2,200,875.00</u>	<u>\$ 3,231,182.00</u>
Borough's Covered Payroll (Plan Measurement Period)	\$ 432,880.00	\$ 401,316.00	\$ 498,760.00
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	407.88%	493.17%	597.65%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.48%	58.60%	52.01%
	<u>Measurement Date Ended June 30,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Borough's Proportion of the Net Pension Liability	0.0136972239%	0.0151974614%	0.0196497222%
Borough's Proportionate Share of the Net Pension Liability	\$ 2,281,480.00	\$ 1,911,700.00	\$ 2,612,253.00
State's Proportionate Share of the Net Pension Liability associated with the Borough	200,078.00	205,858.00	243,494.00
Total	<u>\$ 2,481,558.00</u>	<u>\$ 2,117,558.00</u>	<u>\$ 2,855,747.00</u>
Borough's Covered Payroll (Plan Measurement Period)	\$ 433,768.00	\$ 429,188.00	\$ 616,672.00
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	525.97%	445.42%	423.60%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.31%	62.41%	58.70%

Note 8: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of the Borough's Contributions - Police and Firemen's Retirement System (PFRS) (Last Six Years)***

	<u>Year Ended December 31,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Borough's Contractually Required Contribution	\$ 127,566.00	\$ 113,461.00	\$ 127,230.00
Borough's Contribution in Relation to the Contractually Required Contribution	<u>(127,566.00)</u>	<u>(113,461.00)</u>	<u>(127,230.00)</u>
Borough's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Borough's Covered Payroll (Calendar Year)	\$ 499,919.00	\$ 442,630.00	\$ 402,314.00
Borough's Contributions as a Percentage of Covered Payroll	25.52%	25.63%	31.62%
	<u>Year Ended December 31,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Borough's Contractually Required Contribution	\$ 111,338.00	\$ 116,727.00	\$ 143,360.00
Borough's Contribution in Relation to the Contractually Required Contribution	<u>(111,338.00)</u>	<u>(116,727.00)</u>	<u>(143,360.00)</u>
Borough's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Borough's Covered Payroll (Calendar Year)	\$ 443,617.00	\$ 434,269.00	\$ 431,873.00
Borough's Contributions as a Percentage of Covered Payroll	25.10%	26.88%	33.19%

Note 8: PENSION PLANS (CONT'D)**Other Notes to Supplementary Pension Information*****Public Employees' Retirement System (PERS)***Changes in Benefit Terms

None

Changes in Assumptions

The Discount Rate changed at June 30th over the following years, 5.39% 2014, 4.90% 2015, 3.98% 2016, 5.00% 2017 and 5.66% 2018.

The Long-term Expected Rate of Return changed at June 30th over the following years, 7.90% 2014 and 2015, 7.65% 2016, 7.00% 2017 and 2018.

For 2016, demographic assumptions were revised in accordance with the results of the July 1, 2011 - June 30, 2014 experience study and the mortality improvement scale incorporated the Plan actuary's modified MP-2014 projection scale. Further, salary increases were assumed to increase between 1.65% and 4.15% (based on age) through fiscal year 2026 and 2.65% and 5.15% (based on age) for each fiscal year thereafter.

For 2015, the social security wage base was set at \$118,500.00 for 2015, increasing 4.00% per annum, compounded annually and the 401(a)(17) pay limit was set at \$265,000.00 for 2015, increasing 3.00% per annum, compounded annually.

Police and Firemen's Retirement System (PFRS)Changes in Benefit Terms

In 2017, Chapter 26, P.L. 2016 increased the accidental death benefit payable to children if there is no surviving spouse to 70% of final compensation.

Changes in Assumptions

The Discount Rate changed at June 30th over the following years, 6.32% 2014, 5.79% 2015, 5.55% 2016, 6.14% 2017 and 6.51% 2018.

The Long-term Expected Rate of Return changed at June 30th over the following years, 7.90% 2014 and 2015, 7.65% 2016, 7.00% 2017 and 2018.

For 2016, the mortality improvement scale incorporated the Plan actuary's modified 2014 projection scale. Further, salary increases were assumed to increase between 2.10% and 8.98% (based on age) through fiscal year 2026 and 3.10% and 9.98% (based on age) for each fiscal year thereafter.

For 2015, demographic assumptions were revised in accordance with the results of the July 1, 2010 - June 30, 2013 experience study.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**General Information about the OPEB Plan**

Plan Description and Benefits Provided - The Borough does not provide postemployment benefits to its retirees, however, the State of New Jersey (the "State") provides these benefits to certain Borough retirees and their dependents under a special funding situation as described below.

The State of New Jersey, on-behalf of the Borough, contributes to the State Health Benefits Local Government Retired Employees Plan (the "Plan"), which is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The Plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions* (GASB Statement No. 75); therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The Plan provides medical and prescription drug benefit coverage to retirees and their covered dependents of the employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A. 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**General Information about the OPEB Plan (Cont'd)**

Contributions - The funding policy for the OPEB plan is pay-as-you-go; therefore, there is no prefunding of the liability. However, due to premium rates being set prior to each calendar year, there is a minimal amount of net position available to cover benefits in future years. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are collected from the State of New Jersey, participating local employers, and retired members.

Special Funding Situation Component - The State of New Jersey makes contributions to cover those employees eligible under Chapter 330, P.L. 1997, as disclosed below. Local employers remit employer contributions on a monthly basis. Retired member contributions are generally received on a monthly basis. Partially funded benefits are also available to local police officers and firefighters who retire with 25 years of service or on disability from an employer who does not provide coverage under the provisions of Chapter 330, P.L. 1997. Upon retirement, these individuals must enroll in the OPEB plan.

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80% of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Therefore, the Borough is considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the Borough does not contribute under this legislation directly to the Plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the Borough is required disclose:

- a) the State's proportion (percentage) of the collective net OPEB liability that is associated with the Borough,
- b) the State's proportionate share of the collective net OPEB liability that is associated with the Borough, and
- c) the State's proportionate share of the OPEB expense that is associated with the Borough.

The amount of actual contributions to the OPEB Plan made by the State, on-behalf of the Borough, is not known, however, under the Special Funding Situation, the State's OPEB expense, on-behalf of the Borough, is \$72,816.00 for the year ended December 31, 2018 representing 14.57% of the Borough's covered payroll.

OPEB Liability and OPEB Expense

OPEB Liability - At December 31, 2018 the State's proportionate Share of the Net OPEB liability associated with the Borough is \$2,405,441.00. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**OPEB Liability and OPEB Expense (Cont'd)**

OPEB Liability (Cont'd) - The State's proportion of the net OPEB liability, on-behalf of the Borough, was based on the ratio of the plan members of an individual employer to the total members of the Plan's special funding situation during the measurement period July 1, 2017 through June 30, 2018. For the June 30, 2018 measurement date, the State's proportion on-behalf of the Borough was 0.038711% which was an increase of 0.002785% from its proportion measured as of the June 30, 2017 measurement date.

OPEB Expense - At December 31, 2018, the State's proportionate share of the OPEB expense, associated with the Borough, calculated by the Plan as of the June 30, 2018 measurement date, is \$72,816.00. This on-behalf expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1.

Actuarial Assumptions

The actuarial assumptions vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation at June 30, 2018 used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%
Salary Increases *	
Through 2026	1.65% - 8.98%
Thereafter	2.65% - 9.98%

* Salary Increases are Based on the Defined Benefit Plan that the Member is Enrolled in and his or her Age.

Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

Certain actuarial assumptions used in the July 1, 2017 valuation were based on the results of the pension plans' experience studies for which the members are eligible for coverage under this Plan – the Police and Firemen Retirement System (PFRS). The PFRS experience studies were prepared for the periods July 1, 2010 to June 30, 2013.

100% of active members are considered to participate in the Plan upon retirement.

All of the Plan's investments are in the State of New Jersey Cash Management Fund ("CMF"). The New Jersey Division of Investments manages the CMF, which is available on a voluntary basis for investment by State and certain non-State participants. The CMF is considered to be an investment trust fund as defined in GASB Statement No. 31, *Certain Investments and External Investment Pools*. The CMF invests in U.S. Government and Agency Obligations, Commercial Paper, Corporate Obligations and Certificates of Deposit. Units of ownership in the CMF may be purchased or redeemed on any given business day (excluding State holidays) are the unit cost of value of \$1.00. Participant shares are valued on a fair value basis. The CMF pay interest to participants on a monthly basis.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Actuarial Assumptions (Cont'd)**

Discount Rate - The discount rate used to measure the OPEB Liability at June 30, 2018 was 3.87%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Health Care Trend Assumptions - For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long-term trend rate after seven years. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

Sensitivity of the net OPEB Liability to Changes in the Discount Rate

As previously mentioned, the OPEB Plan has a special funding situation where the State of New Jersey pays the Borough's contributions for certain eligible employees. As such, the proportionate share of the net OPEB liability as of June 30, 2018, the Plans measurement date, calculated using a discount rate of 3.87%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used, is as follows:

	1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Borough	\$ 2,822,218.29	\$ 2,405,441.00	\$ 2,072,530.37

Sensitivity of the net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The net OPEB Liability as of June 30, 2018, the Plans measurement date, using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate used, is as follows:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Borough	\$ 2,006,523.39	\$ 2,405,441.00	\$ 2,921,699.63

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**OPEB Plan Fiduciary Net Position**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the respective fiduciary net position of the State Health Benefits Local Government Retired Employees Plan and additions to/deductions from the Plan's respective fiduciary net position have been determined on the same basis as they are reported by the Plan. Accordingly, contributions (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For additional information about the Plan, please refer to the Plan's Comprehensive Annual Financial Report (CAFR) which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

Supplementary OPEB Information

In accordance with GASBS No. 75, the following information is also presented for the State Health Benefits Local Government Retired Employees Plan. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

Schedule of the State's Proportionate Share of the net OPEB Liability Associated with the Borough (Last 2 Years)

	<u>Measurement Date Ended June 30,</u>	
	<u>2018</u>	<u>2017</u>
Borough's Proportion of the Net OPEB Liability	0.000000%	0.000000%
State's Proportion of the Net Pension Liability Associated with the Borough	100.000000%	100.000000%
	<u>100.000000%</u>	<u>100.000000%</u>
Borough's Proportionate Share of the Net OPEB Liability	\$ -	\$ -
State's Proportionate Share of the Net OPEB Liability Associated with the Borough	2,405,441.00	3,123,914.00
Total	<u>\$ 2,405,441.00</u>	<u>\$ 3,123,914.00</u>
Borough's Covered Payroll (Plan Measurement Period)	\$ 474,993.00	\$ 424,930.00
Borough's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	0.00%	0.00%
State's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	506.416%	735.160%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.97%	1.03%

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Supplementary OPEB Information (Cont'd)*****Schedule of the State's Contributions Associated with the Borough (Last 2 Years)***

The amount of actual contributions that the State made on-behalf of the Borough is not known.

Other Notes to Supplementary OPEB InformationChanges in Benefit Terms

None

Changes in Assumptions

In 2017, the discount rate changed to 3.58% from 2.85%. In 2018, the discount rate changed to 3.87% from 3.58%, there were changes in the census, claims and premiums experience and a decrease in the assumed health care cost trend and excise tax assumptions.

Note 10: COMPENSATED ABSENCES

Full-time employees are entitled to fifteen paid sick leave days each year. Unused sick leave may be accumulated, up to a maximum of sixty days, and carried forward to subsequent years. After accumulating sixty days, an employee may sell back a maximum of ten days per year at seventy-five percent of the employee's normal rate of pay. Vacation days are earned based on a schedule detailed in the Borough's policy manual. A maximum of five days not used during the year may be carried forward into the subsequent year. Vacation days must be used in that year or forfeited.

The Borough compensates employees for unused sick leave and vacation upon termination or retirement. The Borough's policy manual details the various payment options. The maximum pay-out, per the policy manual, is \$15,000.00 payable upon termination or retirement.

The Borough does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2018, accrued benefits for compensated absences are valued at \$89,723.82.

Note 11: DEFERRED COMPENSATION SALARY ACCOUNT

The Borough offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457, which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the Borough or its creditors. Since the Borough does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Borough's financial statements.

Note 12: LEASE OBLIGATIONS

At December 31, 2018, the Borough had a lease agreement in effect for the following:

Operating:
One (1) Xerox 7225 Copier

Operating Leases - Future minimum lease payments under operating lease agreements are as follows:

<u>Year</u>	<u>Amount</u>
2019	\$ 1,788.00
2020	745.00

Rental payments under operating leases for the year 2018 were \$1,788.00.

Note 13: CAPITAL DEBT

The following schedule represents the Borough's summary of debt for the current and two previous years:

	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>Issued</u>			
General:			
Notes	\$ 2,687,337.00	\$ 2,801,337.00	\$ 2,818,979.00
Water Utility:			
Notes	1,901,520.00	1,834,590.00	1,907,660.00
Total Issued	<u>4,588,857.00</u>	<u>4,635,927.00</u>	<u>4,726,639.00</u>
<u>Authorized but not Issued</u>			
General:			
Bonds and Notes	<u>182,500.00</u>	<u>182,500.00</u>	<u>182,502.00</u>
Total Issued and Authorized but not Issued	<u>4,771,357.00</u>	<u>4,818,427.00</u>	<u>4,909,141.00</u>
<u>Deductions</u>			
General:			
Reserve for Payment of Notes	25,376.71	25,376.71	25,376.71
Water Utility:			
Self-Liquidating	<u>1,901,520.00</u>	<u>1,834,590.00</u>	<u>1,907,660.00</u>
Total Deductions	<u>1,926,896.71</u>	<u>1,859,966.71</u>	<u>1,933,036.71</u>
Net Debt	<u><u>\$ 2,844,460.29</u></u>	<u><u>\$ 2,958,460.29</u></u>	<u><u>\$ 2,976,104.29</u></u>

Note 13: CAPITAL DEBT (CONT'D)**Summary of Statutory Debt Condition - Annual Debt Statement**

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the annual debt statement and indicated a statutory net debt of 2.350%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Purposes	\$ 2,244,000.00	\$ 2,244,000.00	
Self-Liquidating	1,901,520.00	1,901,520.00	
General	2,869,837.00	25,376.71	\$ 2,844,460.29
	<u>\$ 7,015,357.00</u>	<u>\$ 4,170,896.71</u>	<u>\$ 2,844,460.29</u>

Net debt \$2,844,460.29 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$121,053,810.67, equals 2.350%.

Borrowing Power Under N.J.S.A. 40A:2-6 as Amended

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 4,236,883.37
Less: Net Debt	<u>2,844,460.29</u>
Remaining Borrowing Power	<u>\$ 1,392,423.08</u>

**Calculation of "Self-Liquidating Purpose,"
Water Utility Per N.J.S.A. 40:2-45**

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for the Year	\$ 537,155.44
Deductions:	
Operating and Maintenance Costs	\$ 396,000.00
Debt Service	<u>94,200.00</u>
Total Deductions	<u>490,200.00</u>
Excess in Revenue	<u>\$ 46,955.44</u>

The foregoing debt information is in agreement with the Annual Debt Statement filed by the Chief Financial Officer.

Note 14: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2018, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the following fund:

<u>Description</u>	<u>Balance December 31, 2018</u>	<u>2019 Budget Appropriation</u>
Current Fund:		
Special Emergency Authorization	\$ 30,000.00	\$ 10,000.00

The appropriations in the 2019 Budget as adopted are not less than that required by the statutes.

Note 15: SCHOOL TAXES

Local School District tax has been raised and the liability deferred by statutes, resulting in the school tax payable set forth in the current fund liabilities as follows:

	<u>Balance December 31,</u>	
	<u>2018</u>	<u>2017</u>
Balance of Tax	\$ 712,691.50	\$ 706,893.50
Deferred	709,859.50	691,977.00
Taxes Payable	\$ 2,832.00	\$ 14,916.50

Note 16: RISK MANAGEMENT

The Borough is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

New Jersey Unemployment Compensation Insurance - The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Borough is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Borough is billed quarterly for amounts due to the State.

The following is a summary of Borough contributions, reimbursements to the State for benefits paid and the ending balance of the Borough's trust fund for the current and previous two years:

<u>Year</u>	<u>Borough/ Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2018	\$ 8,000.00	\$ 34.06	\$ 12,496.13	\$ 5,946.34
2017	10,000.00	12.03	1,548.46	10,408.41
2016	13,000.00	28.54	25,110.00	1,944.84

Note 16: RISK MANAGEMENT (CONT'D)

Joint Insurance Pool - The Borough of Brooklawn is a member of the Camden County Municipal Joint Insurance Fund (the "Fund"). The Fund provides its members with the following coverage:

Workers' Compensation and Employer's Liability
General Liability Other Than Motor Vehicles
Property Damage Other Than Motor Vehicles
Motor Vehicles Liability and Damage

The following coverages are provided to the Fund's member local units by their membership in the Municipal Excess Liability Joint Insurance Fund (MEL):

Excess Workers' Compensation
Excess General Liability
Non-Owned Aircraft Liability
Excess Auto Liability
Fidelity and Performance (Blanket)
Excess Property including Boiler and Machinery
Crime including Excess Public Employee and Public Official Coverage

Environmental Impairment Liability coverage is provided to the Fund's member local units by the Fund's membership in the New Jersey Municipal Environmental Risk Management Fund.

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Banking and Insurance may order additional assessments to supplement the Fund's claim, loss retention, or administrative accounts to assure the payment of the Fund's obligations.

The Borough's agreement with the Fund provides that the Fund will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund, which is an insurance pool formed by all the other joint insurance funds.

For more information regarding claims, coverages and deductibles, the Fund publishes its own financial report which can be obtained from:

Camden County Municipal Joint Insurance Fund
9 Campus Drive, Suite 16
Parsippany, New Jersey 07054

Note 17: CONTINGENCIES

Grantor Agencies - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Borough expects such amount, if any, to be immaterial.

Litigation - The Borough is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Borough, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Note 18: CONCENTRATIONS

The Borough depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the Borough is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

SUPPLEMENTAL EXHIBITS

SUPPLEMENTAL EXHIBITS

CURRENT FUND

BOROUGH OF BROOKLAWN
CURRENT FUND
Statement of Current Cash - Treasurer
For the Year Ended December 31, 2018

	<u>Current Fund</u>	<u>Federal and State Grant Fund</u>
Balance December 31, 2017	\$ 1,544,384.01	\$ 12,306.69
Increased by Receipts:		
Taxes Receivable	\$ 4,466,461.14	
Prepaid Taxes	80,616.25	
Tax Overpayments	16,775.24	
Due to State of New Jersey:		
Senior Citizens and Veterans Deductions	17,075.92	
Marriage License Fees	225.00	
State Training Fees	2,718.00	
Rents Receivable - Borough-Owned Homes	324,338.50	
Prepaid Rents on Borough Owned Homes	1,080.00	
Revenue Accounts Receivable	673,046.37	
Interlocal Service Agreements	82,864.50	
Miscellaneous Revenue Not Anticipated	183,363.01	
General Capital Surplus	34,734.50	
Due from Trust - Animal Control Fund	4.93	
Due from Trust - Other Fund	5,821.52	
Due from General Capital Fund	50,386.87	
Due from Water Utility Operating Fund	5,956.48	
Due from Public Assistance Fund	0.58	
Due to Camden County M.U.A.	16,110.05	
Petty Cash (Contra)	200.00	
Federal and State Grants Fund:		
Federal and State Grants Receivable		\$ 110,773.04
Reserve for Federal and State Grants		1,678.10
	<u>5,961,778.86</u>	<u>112,451.14</u>
Carried Forward	7,506,162.87	124,757.83

(Continued)

BOROUGH OF BROOKLAWN
CURRENT FUND
Statement of Current Cash - Treasurer
For the Year Ended December 31, 2018

	<u>Current Fund</u>	<u>Federal and State Grant Fund</u>
Brought Forward	\$ 7,506,162.87	\$ 124,757.83
Decreased by Disbursements:		
2017 Appropriation Reserves	\$ 41,374.11	
2018 Appropriations	2,408,816.83	
County Taxes	1,127,684.57	
Due to County Added and Omitted Taxes	786.46	
Tax Overpayments	126.02	
Due State of New Jersey - Marriage License Fees	275.00	
Due State of New Jersey - State Training Fees	840.00	
Local District School Tax	1,413,921.00	
Payroll Deductions Payable	630,448.28	
Petty Cash (Contra)	200.00	
Due to Camden County M.U.A.	16,110.05	
Reserve for Federal and State Grants	1,678.10	
Reserve for Federal and State Grants--Appropriated	<u> </u>	<u>\$ 26,262.29</u>
	<u>5,642,260.42</u>	<u>26,262.29</u>
Balance December 31, 2018	<u><u>\$ 1,863,902.45</u></u>	<u><u>\$ 98,495.54</u></u>

BOROUGH OF BROOKLAWN
CURRENT FUND
Schedule of Change Funds
As of December 31, 2018

Balance December 31, 2018	<u>\$ 240.00</u>
	<u>Analysis of Balance</u>
Collector - Treasurer	\$ 100.00
Police	30.00
Municipal Court	<u>110.00</u>
	<u>\$ 240.00</u>

BOROUGH OF BROOKLAWN
CURRENT FUND
 Statement of Taxes Receivable and Analysis of Property Tax Levy
 For the Year Ended December 31, 2018

Year	Balance	2018 Levy	Added	Collections		Due from State of New Jersey	Overpayments Applied	Canceled	Transfer to Liens	Balance
	Dec. 31, 2017		Taxes	2017	2018					Dec. 31, 2018
2016	\$ 1,983.64				\$ 1,983.64					
2017	92,380.83		\$ 1,000.00		87,584.80		\$ 5,715.27	\$ 80.76		
	94,364.47	\$ -	1,000.00	\$ -	89,568.44	\$ -	5,715.27	80.76	\$ -	\$ -
2018		4,567,701.36		84,731.38	4,376,892.70	17,971.73	14,070.79	1,496.24	11,066.57	61,471.95
	<u>\$ 94,364.47</u>	<u>\$ 4,567,701.36</u>	<u>\$ 1,000.00</u>	<u>\$ 84,731.38</u>	<u>\$ 4,466,461.14</u>	<u>\$ 17,971.73</u>	<u>\$ 19,786.06</u>	<u>\$ 1,577.00</u>	<u>\$ 11,066.57</u>	<u>\$ 61,471.95</u>

Analysis of 2018 Property Tax Levy

Tax Yield:

General Property Tax	\$ 4,563,694.90
Added Taxes (54:4-63.1 et. seq.)	<u>4,006.46</u>
	<u>\$ 4,567,701.36</u>

Tax Levy:

Local School District Tax (Abstract)	\$1,419,719.00
County Taxes:	
County Tax (Abstract)	\$ 1,035,889.49
County Library	66,249.94
Open Space	25,545.14
Due County for Added/Omitted Taxes	<u>991.43</u>
Total County Taxes	1,128,676.00
Local Tax for Municipal Purposes	2,015,816.00
Add: Additional Tax Levied	<u>3,490.36</u>
	<u>2,019,306.36</u>
	<u>\$ 4,567,701.36</u>

BOROUGH OF BROOKLAWN
CURRENT FUND
 Statement of Tax Title Liens
 For the Year Ended December 31, 2018

Balance December 31, 2017		\$ 81,442.60
Increased by:		
Transfer from Taxes Receivable		11,066.57
Balance December 31, 2018		\$ 92,509.17

Exhibit SA-5

BOROUGH OF BROOKLAWN
CURRENT FUND
 Statement of Due to State of New Jersey
 Veterans' and Senior Citizens' Deductions
 For the Year Ended December 31, 2018

Balance December 31, 2017		\$ 15,991.38
Increased by:		
Received from State of New Jersey		17,075.92
		33,067.30
Accrued in 2018 to Municipality:		
Senior Citizens' Deductions per Tax Billings	\$ 7,750.00	
Veterans' Deductions per Tax Billings	10,750.00	
Deductions Allowed by Collector - 2018 Taxes	500.00	
		19,000.00
Deduct:		
Deductions Disallowed by Collector - 2018 Taxes	1,028.27	
Subtotal 2018 Tax Accrual	17,971.73	
Deduct:		
Deductions Disallowed by Collector - Prior Taxes	1,000.00	
		16,971.73
Balance December 31, 2018		\$ 16,095.57

BOROUGH OF BROOKLAWN
CURRENT FUND
Statement of Rents Receivable - Borough Owned Homes
For the Year Ended December 31, 2018

Balance December 31, 2017		\$ 14,352.51
Increased by:		
2018 Rental Charges and Late Fees		325,873.50
		340,226.01
Decreased by:		
Receipts	\$ 324,338.50	
Prepayments Applied	3,015.00	
		327,353.50
Balance December 31, 2018		\$ 12,872.51

BOROUGH OF BROOKLAWN
CURRENT FUND
Statement of Revenue Accounts Receivable
For the Year Ended December 31, 2018

	Balance <u>Dec. 31, 2017</u>	Accrued <u>In 2018</u>	<u>Collected</u>	Trust <u>Other - Animal Control Fund</u>	Trust <u>Other Fund</u>	General <u>Capital Fund</u>	Public Assistance <u>Fund</u>	Balance <u>Dec. 31, 2018</u>	
Miscellaneous Revenue Anticipated:									
Licenses:									
Alcoholic Beverages		\$ 12,650.00	\$ 12,650.00						
Other		7,445.00	7,445.00						
Construction Code Official Fees and Permits		39,349.00	39,349.00						
Municipal Court:									
Fines and Costs	\$ 5,636.61	109,520.82	105,607.29					\$ 9,550.14	Dec. 2018
Interest on Bank Accounts	3.38	85.37	81.26					7.49	Dec. 2018
Interest and Costs on Taxes		27,619.08	27,619.08						
Interest on Investments		16,328.05	15,474.71	\$ 0.27	\$ 91.30	\$ 761.54	\$ 0.23		
Uniform Fire Safety Act:									
Fees and Permits		1,135.00	1,135.00						
Hotel/Motel Tax		58,076.61	58,076.61						
Rental Registration Fees		14,485.00	14,485.00						
Uniform Fire Safety Act		5,433.35	5,433.35						
Energy Receipts Tax P.L. 1997, Chapters 162 & 167)		199,509.00	199,509.00						
Rental of Community Center		8,325.00	8,325.00						
Sewer Service Fees		177,856.07	177,856.07						
	<u>\$ 5,639.99</u>	<u>\$ 677,817.35</u>	<u>\$ 673,046.37</u>	<u>\$ 0.27</u>	<u>\$ 91.30</u>	<u>\$ 761.54</u>	<u>\$ 0.23</u>	<u>\$ 9,557.63</u>	

BOROUGH OF BROOKLAWN

CURRENT FUND

Statement of Deferred Charges - Special Emergency Authorizations (40A:4-53)

For the Year Ended December 31, 2018

Date <u>Authorized</u>	<u>Purpose</u>	Net Amount <u>Authorized</u>	1/5 of Net Amount <u>Authorized</u>	Balance <u>Dec. 31, 2017</u>	2018 Budget <u>Appropriation</u>	Balance <u>Dec. 31, 2018</u>
July 18, 2016	Revaluation	<u>\$ 50,000.00</u>	<u>\$ 10,000.00</u>	<u>\$ 40,000.00</u>	<u>\$ 10,000.00</u>	<u>\$ 30,000.00</u>

BOROUGH OF BROOKLAWN
CURRENT FUND
Statement of Appropriation Reserves
For the Year Ended December 31, 2018

	<u>Balance December 31, 2017</u>		<u>Balance</u>	<u>Cash</u>	<u>Balance</u>
	<u>Encumbered</u>	<u>Reserved</u>	<u>After</u>	<u>Disbursed</u>	<u>Lapsed</u>
			<u>Modification</u>		
GENERAL GOVERNMENT					
Administrative and Executive					
Salaries and Wages					
Municipal Clerk's Office		\$ 442.61	\$ 442.61		\$ 442.61
Mayor and Council		23.00	23.00		23.00
Borough Recorder		53.60	53.60		53.60
Other Expenses					
Printing and Legal	\$ 106.16	590.87	697.03	\$ 63.46	633.57
Mayor and Council	290.00	576.45	866.45	290.00	576.45
Miscellaneous Other Expenses	3,700.00	2,113.70	5,813.70	2,512.18	3,301.52
Elections					
Other Expenses		553.59	553.59		553.59
Financial Administration					
Salaries and Wages:					
Treasurer's Office		37.75	37.75		37.75
Chief Financial Officer		2,646.40	2,646.40		2,646.40
Other Expenses:					
Annual Audit		600.00	600.00		600.00
Assessment of Taxes					
Salaries and Wages		675.04	675.04		675.04
Other Expenses		591.28	591.28		591.28
Collection of Taxes					
Salaries and Wages		2,194.96	2,194.96		2,194.96
Other Expenses		542.78	542.78		542.78
Legal Services					
Other Expenses	3,000.00	4,121.02	7,121.02		7,121.02
Administration of Borough Owned Homes					
Salaries and Wages		899.32	899.32		899.32
Municipal Prosecutor					
Salaries and Wages		112.00	112.00		112.00
Engineering Services and Costs					
Other Expenses		690.79	690.79		690.79

(Continued)

BOROUGH OF BROOKLAWN
CURRENT FUND
Statement of Appropriation Reserves
For the Year Ended December 31, 2018

	<u>Balance December 31, 2017</u>		<u>Balance</u>	<u>Cash</u>	<u>Balance</u>
	<u>Encumbered</u>	<u>Reserved</u>	<u>After</u>	<u>Disbursed</u>	<u>Lapsed</u>
			<u>Modification</u>		
GENERAL GOVERNMENT (CONT'D)					
Public Buildings and Grounds					
Other Expenses	\$ 1,813.78	\$ 918.17	\$ 2,731.95	\$ 1,811.48	\$ 920.47
Maintenance of Borough-Owned Homes					
Salaries and Wages		439.04	439.04		439.04
Other Expenses	1,000.46	210.26	1,210.72	953.44	257.28
Municipal Land Use Law (N.J.S.A. 40:55D-1)					
Planning & Zoning Boards					
Salaries and Wages		1.82	1.82		1.82
Other Expenses		1,208.60	1,208.60		1,208.60
Group Insurance Plan for Employees		608.17	608.17		608.17
Worker's Compensation Insurance		1,697.59	1,697.59		1,697.59
Animal Control					
Other Expenses	350.00	3,806.00	4,156.00	350.00	3,806.00
Celebration of Public Events					
Other Expenses	48.00	674.61	722.61	48.00	674.61
PUBLIC SAFETY					
Fire Prevention					
Salaries and Wages		311.96	311.96		311.96
Other Expenses		14.20	14.20		14.20
Police					
Salaries and Wages		7,878.05	7,878.05		7,878.05
Other Expenses	2,102.21	1,033.30	3,135.51	2,143.15	992.36
Volunteer Fire Misc.					
Other Expenses	350.00	284.54	634.54	350.00	284.54
Municipal Code Enforcement Official					
Salaries and Wages		2,485.74	2,485.74		2,485.74
Other Expenses		1,030.23	1,030.23		1,030.23
Office of Emergency Management					
Salaries and Wages		1,050.00	1,050.00		1,050.00
Other Expenses		896.50	896.50		896.50

(Continued)

BOROUGH OF BROOKLAWN
CURRENT FUND
Statement of Appropriation Reserves
For the Year Ended December 31, 2018

	<u>Balance December 31, 2017</u>		<u>Balance</u>	<u>Cash</u>	<u>Balance</u>
	<u>Encumbered</u>	<u>Reserved</u>	<u>After</u>	<u>Disbursed</u>	<u>Lapsed</u>
			<u>Modification</u>		
GENERAL GOVERNMENT (CONT'D)					
PUBLIC SAFETY (CONT'D)					
Municipal Court					
Salaries and Wages		\$ 206.95	\$ 206.95		\$ 206.95
Other Expenses	\$ 111.18	854.83	966.01	\$ 73.68	892.33
Traffic Signal					
Other Expenses		2,240.93	2,240.93		2,240.93
STREETS AND ROADS					
Road Repairs & Maintenance					
Salaries and Wages		1,243.05	1,243.05		1,243.05
Other Expenses	853.00	83.06	936.06	853.00	83.06
Vehicle Maintenance					
Other Expenses	3,160.68	3,984.97	7,145.65	2,460.68	4,684.97
SANITATION					
Sewer System					
Salaries and Wages		1,174.66	1,174.66		1,174.66
Other Expenses	9,449.65	237.36	9,687.01	9,402.15	284.86
Garbage & Trash Removal					
Salaries and Wages		4,853.86	4,853.86		4,853.86
Other Expenses		673.49	673.49		673.49
Sanitary Landfill					
Other Expenses	6,324.28	309.75	6,634.03	3,347.18	3,286.85
Recycling					
Salaries and Wages		1,437.25	1,437.25		1,437.25
Other Expenses	1,345.24	612.91	1,958.15	1,353.76	604.39
HEALTH AND WELFARE					
Board of Health					
Salaries and Wages		100.00	100.00		100.00
Other Expenses		704.00	704.00		704.00

(Continued)

BOROUGH OF BROOKLAWN
CURRENT FUND
Statement of Appropriation Reserves
For the Year Ended December 31, 2018

	<u>Balance December 31, 2017</u>		<u>Balance After Modification</u>	<u>Cash Disbursed</u>	<u>Balance Lapsed</u>
	<u>Encumbered</u>	<u>Reserved</u>			
GENERAL GOVERNMENT (CONT'D)					
HEALTH AND WELFARE (CONT'D)					
Parks & Playgrounds					
Other Expenses	\$ 1,715.05	\$ 853.71	\$ 2,568.76	\$ 1,550.00	\$ 1,018.76
Shade Tree Commission					
Other Expenses	1,021.00	33.60	1,054.60	1,021.00	33.60
STATE UNIFORM CONSTRUCTION CODE					
Construction Code Official					
Salaries and Wages		100.71	100.71		100.71
Subcode Officials:					
Electrical Inspector					
Salaries and Wages		10.01	10.01		10.01
Fire Inspector					
Salaries and Wages		442.00	442.00		442.00
Plumbing Official					
Salaries and Wages		71.97	71.97		71.97
UTILITIES					
Utilities	11,747.47	7,376.25	19,123.72	12,147.63	6,976.09
STATUTORY EXPENDITURES					
Contribution to:					
Social Security System (O.A.S.I.)		4,173.98	4,173.98		4,173.98
Unemployment Compensation		1.00	1.00		1.00
OPERATIONS EXCLUDED FROM "CAPS"					
Recycling Tax		1,215.28	1,215.28	643.32	571.96
Interlocal Service Agreement - Borough of Merchantville					
Fire Sub-code Official Services		458.06	458.06		458.06
CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"					
Capital Improvement Fund					
Acquisition of Police Four Wheel Drive Vehicle		5,329.00	5,329.00		5,329.00
	<u>\$ 48,488.16</u>	<u>\$ 80,796.58</u>	<u>\$ 129,284.74</u>	<u>\$ 41,374.11</u>	<u>\$ 87,910.63</u>

BOROUGH OF BROOKLAWN
CURRENT FUND
Statement of Due State of New Jersey - Marriage License Fees
For the Year Ended December 31, 2018

Balance December 31, 2017	\$	100.00
Increased by:		
Receipts		225.00
		325.00
Decreased by:		
Disbursements		275.00
Balance December 31, 2018	\$	50.00

Exhibit SA-11

BOROUGH OF BROOKLAWN
CURRENT FUND
Statement of Due to State of New Jersey - State Training Fees Payable
For the Year Ended December 31, 2018

Balance December 31, 2017	\$	238.00
Increased by:		
Receipts		2,718.00
		2,956.00
Decreased by:		
Disbursements		840.00
Balance December 31, 2018	\$	2,116.00

BOROUGH OF BROOKLAWN
CURRENT FUND
Statement of Reserve for Payroll Deductions Payable
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 36,618.57
Increased by:	
Payroll Deductions	<u>611,413.06</u>
	648,031.63
Decreased by:	
Disbursements	<u>630,448.28</u>
Balance December 31, 2018	<u><u>\$ 17,583.35</u></u>

BOROUGH OF BROOKLAWN
CURRENT FUND
Statement of Prepaid Taxes
For the Year Ended December 31, 2018

Balance December 31, 2017		\$ 84,731.38
Increased by:		
Collection - 2019 Taxes		<u>80,616.25</u>
		165,347.63
Decreased by:		
Application to 2018 Taxes		<u>84,731.38</u>
Balance December 31, 2018		<u><u>\$ 80,616.25</u></u>

Exhibit SA-14

BOROUGH OF BROOKLAWN
CURRENT FUND
Statement of Tax Overpayments
For the Year Ended December 31, 2018

Balance December 31, 2017		\$ 13,205.59
Increased by:		
Cash Receipts		<u>16,775.24</u>
		29,980.83
Decreased by:		
Refund of Overpayments	\$ 126.02	
Overpayments Applied 2017	5,715.27	
Overpayments Applied 2018	<u>14,070.79</u>	
		<u>19,912.08</u>
Balance December 31, 2018		<u><u>\$ 10,068.75</u></u>

BOROUGH OF BROOKLAWN
CURRENT FUND
Statement of County Taxes Payable
For the Year Ended December 31, 2018

2018 Levy -	
County General	\$ 1,035,889.49
County Library	66,249.94
Open Space	<u>25,545.14</u>
	1,127,684.57
Decreased by:	
Disbursements	<u>\$ 1,127,684.57</u>

Exhibit SA-16

BOROUGH OF BROOKLAWN
CURRENT FUND
Statement of Amount Due to County for Added Taxes
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 786.46
Added & Omitted Taxes Levied in 2018	<u>991.43</u>
	1,777.89
Decreased by:	
Disbursements	<u>786.46</u>
Balance December 31, 2018	<u>\$ 991.43</u>

Exhibit SA-17

BOROUGH OF BROOKLAWN
CURRENT FUND
Statement of Prepaid Rents on Borough Owned Homes
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 3,015.00
Increased by:	
Collection - 2019 Rents	<u>1,080.00</u>
	4,095.00
Decreased by:	
Applied to Rents Receivable	<u>3,015.00</u>
Balance December 31, 2018	<u>\$ 1,080.00</u>

BOROUGH OF BROOKLAWN
CURRENT FUND
Statement of Local District School Taxes
For the Year Ended December 31, 2018

Balance December 31, 2017		
School Taxes Payable	\$ 14,916.50	
School Taxes Deferred	691,977.00	
		\$ 706,893.50
Increased by:		
Levy - School Year July 1, 2018 to June 30, 2019		1,419,719.00
		2,126,612.50
Decreased by:		
Disbursements		1,413,921.00
Balance December 31, 2018		
School Taxes Payable	2,832.00	
School Taxes Deferred	709,859.50	
		\$ 712,691.50
<u>2018 Liability for Local District School Tax:</u>		
Tax Paid		\$ 1,413,921.00
Add:		
Taxes Payable December 31, 2018		2,832.00
		1,416,753.00
Less:		
Taxes Payable December 31, 2017		14,916.50
Amount Charged to 2018 Operations		\$ 1,401,836.50

BOROUGH OF BROOKLAWN
CURRENT FUND
 Federal and State Grant Fund
 Statement of Federal and State Grants Receivable
 For the Year Ended December 31, 2018

<u>Program</u>	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Accrued</u>	<u>Cash</u> <u>Received</u>	<u>Balance</u> <u>Dec. 31, 2018</u>
Federal Grants:				
COPS Hiring Recovery Grant	\$ 18,571.69			\$ 18,571.69
Bulletproof Vest Partnership	1,160.50			1,160.50
	<u>19,732.19</u>	<u>\$ -</u>	<u>\$ -</u>	<u>19,732.19</u>
State Grants:				
Clean Communities Program		4,000.00	4,000.00	
Municipal Alliance on Alcoholism and Drug Abuse	12,092.78	6,712.40	5,728.04	13,077.14
Drunk Driving Enforcement Grant		4,000.00	4,000.00	
Drive Sober or Get Pulled Over	5,500.00	6,600.00	12,045.00	55.00
Safe & Secure Communities Grant	60,000.00	30,000.00	60,000.00	30,000.00
Recreational Facility Enhancement Funding	372.27			372.27
New Jersey Department of Transportation - Community Road	9,303.50			9,303.50
Total State Grants	<u>87,268.55</u>	<u>51,312.40</u>	<u>85,773.04</u>	<u>52,807.91</u>
Camden County:				
Recreation Enhancement Grant	50,000.00	-	25,000.00	25,000.00
Total All Grants	<u>\$ 157,000.74</u>	<u>\$ 51,312.40</u>	<u>\$ 110,773.04</u>	<u>\$ 97,540.10</u>

BOROUGH OF BROOKLAWN
CURRENT FUND
 Federal and State Grant Fund
 Statement of Reserve for State Grants - Unappropriated
 For the Year Ended December 31, 2018

<u>Program</u>	<u>Balance Dec. 31, 2017</u>	<u>Federal and State Grants Receivable</u>	<u>Realized as Miscellaneous Revenue in 2018 Budget</u>
State Grants:			
Clean Communities Program		\$ 4,000.00	\$ 4,000.00
Drunk Driving Enforcement Grant		4,000.00	4,000.00
Drive Sober or Get Pulled Over		6,600.00	6,600.00
Municipal Alliance on Alcoholism and Drug Abuse		6,712.40	6,712.40
Safe & Secure Communities Grant		30,000.00	30,000.00
Recycling Tonnage Grant	<u>\$ 5,244.72</u>	<u> </u>	<u>5,244.72</u>
Total State Grants	<u>\$ 5,244.72</u>	<u>\$ 51,312.40</u>	<u>\$ 56,557.12</u>

BOROUGH OF BROOKLAWN
CURRENT FUND
 Federal and State Grant Fund
 Statement of Reserves for Federal and State Grants - Appropriated
 For the Year Ended December 31, 2018

<u>Program</u>	<u>Dec. 31, 2017</u>		<u>Transferred from 2018 Budget Appropriation</u>	<u>Disbursed</u>	<u>Encumbered</u>	<u>Balance Dec. 31, 2018</u>
	<u>Balance</u>	<u>Encumbrances</u>				
Federal Grants:						
COPS Hiring Recovery Grant	\$ 24,556.28					\$ 24,556.28
Bulletproof Vest Partnership	1,234.30					1,234.30
Total Federal Grants	25,790.58	\$ -	\$ -	\$ -	\$ -	25,790.58
State Grants:						
Recreational Facility Enhancement Funding - Concession Stand/Ballfields	1,703.39					1,703.39
Body Armor Replacement Fund	7,818.79			900.00		6,918.79
Recycling Tonnage Grant	31,001.59		5,244.72	4,910.51	1,546.29	29,789.51
Safe and Secure Grant	3,873.99		30,000.00	960.51		32,913.48
Drunk Driving Enforcement Grant	1,856.42	49.99	4,000.00	4,871.48		1,034.93
Drive Sober or Get Pulled Over	1,650.00		6,600.00	8,195.00		55.00
Clean Communities Grant			4,000.00	3,500.00		500.00
New Jersey Prevention Network	3,000.00					3,000.00
Municipal Alliance on Alcoholism and Drug Abuse	29,628.16		8,390.50	500.00		37,518.66
New Jersey Department of Transportation - Community Road	53,687.25					53,687.25
Total State Grants	134,219.59	49.99	58,235.22	23,837.50	1,546.29	167,121.01
Camden County: Recreation Enhancement Grant	3,928.89	-	-	2,424.79	-	1,504.10
Total All Grants	\$ 163,939.06	\$ 49.99	\$ 58,235.22	\$ 26,262.29	\$ 1,546.29	\$ 194,415.69

SUPPLEMENTAL EXHIBITS

TRUST FUND

BOROUGH OF BROOKLAWN
TRUST OTHER FUND
Statement of Trust Cash - Treasurer
For the Year Ended December 31, 2018

	<u>Animal Control</u>	<u>Other Trust</u>
Balance December 31, 2017	\$ 2,984.48	\$ 242,234.60
Increased by Receipts:		
Animal Control Fees	\$ 2,805.00	
State Registration Fees	237.00	
Late Fees	180.00	
Due Current Fund	12.00	\$ 892.44
Due Water Operating Fund		445.20
Community Development Block Grants Receivable		40,700.00
Reserve for Off Duty Police Work		33,834.30
Reserve for Security Deposits on Borough Owned Homes		6,129.49
Reserve for Unemployment Compensation Insurance		8,034.06
Reserve for Parking Offenses Adjudication Act		14.00
Reserve for Local Law Enforcement		6,057.71
Reserve for Public Defender Fees		5,941.00
Reserve for Recreation Donations		2,350.00
Reserve for Tax Title Lien Redemptions		60,651.19
Reserve for Escrow Deposits		7,306.05
	3,234.00	172,355.44
	6,218.48	414,590.04
Decreased by Disbursements:		
Expenditures under R.S. 4:19-15.11 - Cash	5,767.00	
State Registration Fees	237.00	
Due Current Fund	16.66	3,067.66
Reserves for:		
Off Duty Police Work		47,232.90
Security Deposits on Borough Owned Homes		1,381.11
Unemployment Compensation Insurance		12,496.13
Local Law Enforcement		7,284.10
Recreation Donations		162.35
Tax Title Lien Redemptions		70,002.18
Tax Sale Premiums		22,500.00
Escrow Deposits		9,280.50
	6,020.66	173,406.93
Balance December 31, 2018	\$ 197.82	\$ 241,183.11

BOROUGH OF BROOKLAWN
TRUST OTHER FUND
 Animal Control Fund
 Statement of Reserve for Animal Control Expenditures
 For the Year Ended December 31, 2018

Balance December 31, 2017		\$ 2,979.55
Increased by Receipts:		
Dog License Fees Collected	\$ 2,370.00	
Cat License Fees Collected	435.00	
	2,805.00	
Late Fees	180.00	
		2,985.00
		5,964.55
Decreased by Disbursements:		
Expenditures under R.S. 4:19-15.11 - Cash		5,767.00
Balance December 31, 2018		\$ 197.55

License Fees Collected

<u>Year</u>	<u>Amount</u>
2016	\$ 3,380.00
2017	3,323.20
	\$ 6,703.20

BOROUGH OF BROOKLAWN
TRUST OTHER FUND
 Animal Control Fund
 Statement of Due to Current Fund
 For the Year Ended December 31, 2018

Balance December 31, 2017		\$ 4.93
Increased by:		
Interest Earned		12.00
		16.93
Decreased by:		
Interest Disbursed to Current Fund Realized as Anticipated Revenue	\$ 11.73	
Interfund Returned	4.93	
	16.66	
Balance December 31, 2018		\$ 0.27

BOROUGH OF BROOKLAWN
TRUST OTHER FUND
Statement of Due to/from Current Fund
For the Year Ended December 31, 2018

Balance December 31, 2017 (Due to)		\$ 2,266.52
Decreased by:		
Interest Disbursed to Current Fund Realized as Anticipated Revenue	\$ 801.14	
Interfund Returned	<u>2,266.52</u>	
	3,067.66	
Reserve for Off-Duty Police Work Erroneously Deposited in Current Fund	<u>3,555.00</u>	
		<u>6,622.66</u>
		4,356.14
Increased by:		
Interest Earned		<u>892.44</u>
Balance December 31, 2018 (Due from)		<u><u>\$ 3,463.70</u></u>

BOROUGH OF BROOKLAWN
TRUST OTHER FUND
 Statement of Community Development Block Grants Receivable
 For the Year Ended December 31, 2018

Balance December 31, 2017		\$ 22,771.46
Increased by:		
Community Development Block Grant Receivable		21,600.00
		44,371.46
Decreased by:		
Cash Receipts		40,700.00
Balance December 31, 2018		\$ 3,671.46

BOROUGH OF BROOKLAWN
TRUST OTHER FUND
 Statement of Reserve for Off-Duty Police Work
 For the Year Ended December 31, 2018

Balance December 31, 2017		\$ 109,334.35
Increased by:		
Receipts	\$ 33,834.30	
Due from Current Fund	3,555.00	
		37,389.30
		146,723.65
Decreased by:		
Disbursements		47,232.90
Balance December 31, 2018		\$ 99,490.75

BOROUGH OF BROOKLAWN
TRUST OTHER FUND
Statement of Reserve for Community Development Block Grants
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 29,195.00
Increased by:	
Community Development Block Grant Receivable	21,600.00
Balance December 31, 2018	\$ 50,795.00

Exhibit SB-8

BOROUGH OF BROOKLAWN
TRUST OTHER FUND
Statement of Reserve for Security Deposits on
Borough Owned Homes
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 33,034.87
Increased by:	
Deposits	\$ 6,029.00
Interest	100.49
	6,129.49
	39,164.36
Decreased by:	
Refunds	1,381.11
Balance December 31, 2018	\$ 37,783.25

BOROUGH OF BROOKLAWN
TRUST OTHER FUND
Statement of Reserve for Unemployment Compensation Insurance
For the Year Ended December 31, 2018

Balance December 31, 2017		\$	10,408.41
Increased by:			
Employee Deductions	\$	8,000.00	
Interest Earned		<u>34.06</u>	
			<u>8,034.06</u>
			18,442.47
Decreased by:			
Claims Paid			<u>12,496.13</u>
Balance December 31, 2018		\$	<u><u>5,946.34</u></u>

Exhibit SB-10

BOROUGH OF BROOKLAWN
TRUST OTHER FUND
Statement of Reserve for Parking Offenses Adjudication Act
For the Year Ended December 31, 2018

Balance December 31, 2017		\$	411.00
Increased by:			
Cash Received from Municipal Court			<u>14.00</u>
Balance December 31, 2018		\$	<u><u>425.00</u></u>

BOROUGH OF BROOKLAWN
TRUST OTHER FUND
 Statement of Reserve for Local Law Enforcement
 For the Year Ended December 31, 2018

Balance December 31, 2017		\$	4,993.03
Increased by:			
Contributions		\$	6,028.30
Interest Earned on Deposits			<u>29.41</u>
			<u>6,057.71</u>
			11,050.74
Decreased by:			
Cash Disbursements			<u>7,284.10</u>
Balance December 31, 2018		\$	<u><u>3,766.64</u></u>

Exhibit SB-12

BOROUGH OF BROOKLAWN
TRUST OTHER FUND
 Statement of Reserve for Public Defender Fees
 For the Year Ended December 31, 2018

Balance December 31, 2017		\$	4,407.27
Increased by:			
Public Defender Fees			<u>5,941.00</u>
Balance December 31, 2018		\$	<u><u>10,348.27</u></u>

BOROUGH OF BROOKLAWN
TRUST OTHER FUND
Statement of Reserve for Recreation Donations
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 3,266.33
Increased by:	
Donations Received	<u>2,350.00</u>
	5,616.33
Decreased by:	
Donations Disbursed	<u>162.35</u>
Balance December 31, 2018	<u><u>\$ 5,453.98</u></u>

Exhibit SB-14

BOROUGH OF BROOKLAWN
TRUST OTHER FUND
Statement of Reserve for Tax Title Lien Redemptions
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 11,612.48
Increased by:	
2018 Deposits for Tax Title Lien Redemptions	<u>60,651.19</u>
	72,263.67
Decreased by:	
Disbursed - Tax Title Certificates Redeemed	<u>70,002.18</u>
Balance December 31, 2018	<u><u>\$ 2,261.49</u></u>

BOROUGH OF BROOKLAWN
TRUST OTHER FUND
Statement of Reserve for Tax Sale Premiums
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 46,400.00
Decreased by:	
Tax Sale Premiums Returned	<u>22,500.00</u>
Balance December 31, 2018	<u><u>\$ 23,900.00</u></u>

Exhibit SB-16

BOROUGH OF BROOKLAWN
TRUST OTHER FUND
Statement of Reserve for Escrow Deposits
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 7,038.95
Increased by:	
Escrow Deposits	<u>7,306.05</u>
	14,345.00
Decreased by:	
Cash Disbursements	<u>9,280.50</u>
Balance December 31, 2018	<u><u>\$ 5,064.50</u></u>

SUPPLEMENTAL EXHIBITS

GENERAL CAPITAL FUND

BOROUGH OF BROOKLAWN
GENERAL CAPITAL FUND
Statement of General Capital Cash - Treasurer
For the Year Ended December 31, 2018

Balance December 31, 2017		\$ 1,658,703.46
Increased by Receipts:		
Due to Current Fund	\$ 50,864.73	
New Jersey Transportation Trust Fund	117,061.07	
Bond Anticipation Notes	95,000.00	
Capital Improvement Fund	10,000.00	
		272,925.80
		1,931,629.26
Decreased by Disbursements:		
Improvement Authorizations	70,279.90	
Fund Balance Anticipated as Revenue in Current Fund	34,734.50	
Due to Current Fund	6,740.06	
		111,754.46
Balance December 31, 2018		\$ 1,819,874.80

BOROUGH OF BROOKLAWN
GENERAL CAPITAL FUND
 Analysis of General Capital Cash and Investments
 For the Year Ended December 31, 2018

	Balance <u>Dec. 31, 2017</u>	Receipts		Disbursements		Transfers		Balance <u>Dec. 31, 2018</u>
		Bond Anticipation <u>Notes</u>	Miscel- laneous	Improvement Authorizations	Miscel- laneous	From	To	
Capital Improvement Fund	\$ 10,550.28		\$ 10,000.00			\$ 5,000.00		\$ 15,550.28
Fund Balance	34,734.50				\$ 34,734.50			
Excess Note Proceeds - Reserve to Pay Notes	25,376.71							25,376.71
<u>Improvement Authorizations:</u>								
<u>Ord. No.</u>								
2004-12	Improvements to Borough-Owned Properties	6,288.25						6,288.25
2011-10	Repair and Reconstruction of Sanitary Sewer System	364.74						364.74
2011-11	Improvements to Approaches to Railroad Grade Crossings	5,020.00						5,020.00
2011-12	Supplemental Funding for Repair and Reconstruction or Sanitary Sewer System	5,821.52						5,821.52
2012-7	Purchase of EMS Equipment, Fire Department Vehicle and Repaving of Christan Street and Community Road	1,034.50						1,034.50
2013-3	Acquisition of Various Capital Equipment and the Completion of Various Capital Improvements	8.00						8.00
2013-11	Acquisition of Sport Utility Police Vehicles and Improvements to Borough Railroad Crossings	56,306.73						56,306.73
2014-7	Various Capital Improvements and Providing Funding for Preliminary Costs	13,826.36		\$ 12,673.76				1,152.60
2015-7	Various Capital Improvements and Acquisition of Real Property	33,535.32		1,025.00				32,510.32
2015-9	Various Capital Improvements to the Utility (Sewer)	1,484,551.70		24,950.42				1,459,601.28
2016-11	Acquisition of and Improvements to Real Property	67,498.00				\$ 2.00		67,500.00
2016-12	Canceling and Reappropriating Balances for Capital Projects	87.75						87.75
2017-9	Improvements to Municipal Owned Properties and Reconstruction of Sixth Street	74,447.75		1,075.00		2.00	70,535.00	143,905.75
2018-3	Various Improvements to Municipal Owned Properties and Acquisition of Public Works Department Equipment		\$ 95,000.00	30,555.72			5,000.00	69,444.28
Contracts Payable	70,535.00					70,535.00		
New Jersey Transportation Trust Fund Receivable	(168,820.52)		117,061.07				93,750.00	41,990.55
Grant Receivable - Community Development Block Grant	(19,100.00)							(19,100.00)
Current Fund	(43,363.13)		50,864.73		6,740.06	93,750.00		(92,988.46)
	<u>\$ 1,658,703.46</u>	<u>\$ 95,000.00</u>	<u>\$ 177,925.80</u>	<u>\$ 70,279.90</u>	<u>\$ 41,474.56</u>	<u>\$ 169,287.00</u>	<u>\$ 169,287.00</u>	<u>\$ 1,819,874.80</u>

BOROUGH OF BROOKLAWN
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation - Unfunded
For the Year Ended December 31, 2018

Ordinance Number	Improvement Description	Balance Dec. 31, 2017	2018 Authorizations	Notes Paid by Budget Appropriation	Balance Dec. 31, 2018	Analysis of Balance Dec. 31, 2018		Unexpended Improvement Authorizations
						Bond Anticipation Notes	Expenditures	
2008-4	Road Improvements to Timber Boulevard	\$ 3,483.00		\$ 3,483.00				
2008-6	Acquisition of Refurbished Fire Apparatus	6,964.00		6,964.00				
2009-3	Road Improvements to Community Circle, Horton Avenue and Bergen Street	14,500.00		7,250.00	\$ 7,250.00	\$ 7,250.00		
2009-11	Repair and Reconstruction of Sanitary Sewer along Horton and Hannevig Roads	16,955.00		8,478.00	8,477.00	8,477.00		
2011-6	Acquisition of Dump Truck and Four-Wheel Drive Vehicle and Repair, Renovation and Replacement of Firehouse Roof and Heater and Community Center Heater	83,220.00		20,820.00	62,400.00	62,400.00		
2011-10	Repair and Reconstruction of Sanitary Sewer System	16,625.00		3,325.00	13,300.00	13,300.00		
2011-11	Improvements to Approaches to Railroad Grade Crossings	16,625.00		3,325.00	13,300.00	13,300.00		
2011-12	Supplemental Funding for Repair and Reconstruction of Sanitary Sewer System	11,080.00		2,220.00	8,860.00	8,860.00		
2012-7	Purchase of EMS Equipment, Fire Department Vehicle and Repaving of Christan Street and Community Road	258,300.00		51,600.00	206,700.00	206,700.00		
2013-3	Acquisition of Various Capital Equipment and the Completion of Various Capital Improvements	295,520.00		49,250.00	246,270.00	246,270.00		
2013-11	Acquisition of Sport Utility Police Vehicles and Improvements to Borough Railroad Crossings	56,620.00		8,090.00	48,530.00	48,530.00		
2014-7	Various Capital Improvements and Providing Funding for Preliminary Costs	164,590.00		23,510.00	141,080.00	141,080.00		
2015-7	Various Capital Improvements and Acquisition of Real Property	123,000.00		20,685.00	102,315.00	102,315.00		
2015-9	Various Capital Improvements to the Utility (Sewer)	1,488,000.00			1,488,000.00	1,488,000.00		
2016-11	Acquisition of and Improvements to Real Property	237,500.00			237,500.00	55,000.00		\$ 182,500.00
2017-9	Improvements to Municipal Owned Properties and Reconstruction of Sixth Street	190,855.00			190,855.00	190,855.00		
2018-3	Various Improvements to Municipal Owned Properties and Acquisition of Public Works Department Equipment		\$ 95,000.00		95,000.00	95,000.00		
		<u>\$ 2,983,837.00</u>	<u>\$ 95,000.00</u>	<u>\$ 209,000.00</u>	<u>\$ 2,869,837.00</u>	<u>\$ 2,687,337.00</u>	<u>\$ -</u>	<u>\$ 182,500.00</u>

Continued

BOROUGH OF BROOKLAWN
GENERAL CAPITAL FUND
 Statement of Deferred Charges to Future Taxation - Unfunded
 For the Year Ended December 31, 2018

Ordinance Number	<u>Improvement Description</u>	Balance <u>Dec. 31, 2017</u>	2018 <u>Authorizations</u>	Notes Paid by Budget <u>Appropriation</u>	Balance <u>Dec. 31, 2018</u>	Bond Anticipation <u>Notes</u>	<u>Expenditures</u>	Unexpended Improvement <u>Authorizations</u>
								\$ 2,012,757.47
Improvement Authorizations - Unfunded								
Less: Unexpended Proceeds of Bond Anticipation Notes Issued:								
						Ord. 2011-10	\$ 364.74	
						Ord. 2011-11	5,020.00	
						Ord. 2011-12	5,821.52	
						Ord. 2012-7	1,034.50	
						Ord. 2013-3	8.00	
						Ord. 2013-11	56,306.73	
						Ord. 2014-7	1,152.60	
						Ord. 2015-7	32,510.32	
						Ord. 2015-9	1,459,601.28	
						Ord. 2016-11	55,000.00	
						Ord. 2016-12	87.75	
						Ord. 2017-9	143,905.75	
						Ord. 2018-3	<u>69,444.28</u>	
								<u>1,830,257.47</u>
								<u>\$ 182,500.00</u>

BOROUGH OF BROOKLAWN
GENERAL CAPITAL FUND
Statement of Due from Current Fund
For the Year Ended December 31, 2018

Balance December 31, 2017		\$ 43,363.13
Increased by:		
Cash Disbursements:		
Interest Disbursed to Current Fund as Anticipated Revenue	\$ 6,740.06	
Department of Transportation Funds Erroneously Deposited in Current Fund	93,750.00	
		100,490.06
		143,853.19
Decreased by:		
Cash Receipts:		
Interest on Investment of Deposits	7,501.60	
Interfund Returned	43,363.13	
		50,864.73
Balance December 31, 2018		\$ 92,988.46

BOROUGH OF BROOKLAWN
GENERAL CAPITAL FUND
Statement of Capital Improvement Fund
For the Year Ended December 31, 2018

Balance December 31, 2017		\$ 10,550.28
Increased by:		
2018 Budget Appropriation		10,000.00
		20,550.28
Decreased by:		
Appropriated to Finance Improvement Authorizations		5,000.00
Balance December 31, 2018		\$ 15,550.28

Exhibit SC-6

BOROUGH OF BROOKLAWN
GENERAL CAPITAL FUND
New Jersey Transportation Trust Fund Receivable
For the Year Ended December 31, 2018

Balance December 31, 2017		\$ 168,820.52
Increased by:		
2018 Grant Award		125,000.00
		293,820.52
Decreased by:		
Received	\$ 117,061.07	
Due from Current Fund	93,750.00	
		210,811.07
Balance December 31, 2018		\$ 83,009.45

Analysis of Balance

Ord. 2011-11 Improvements to Approaches to Railroad Grade Crossings		\$ 51,027.91
Ord. 2013-11 Acquisition of Sport Utility Police Vehicles and Improvements to Borough Railroad Crossings		674.54
Ord. 2017-9 Reconstruction of Sixth Street		57.00
Ord. 2018-11 Repair and Restoration of Streets, Sidewalks and Roads		31,250.00
		\$ 83,009.45

BOROUGH OF BROOKLAWN
GENERAL CAPITAL FUND
Statement of Contracts Payable
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 70,535.00
Decreased by:	
Canceled	<u>\$ 70,535.00</u>

BOROUGH OF BROOKLAWN
GENERAL CAPITAL FUND
Statement of Improvement Authorizations
For the Year Ended December 31, 2018

Ordinance Number	Improvement Description	Ordinance Date	Amount	Dec. 31, 2017		2018 Authorizations			Paid or Charged	Contracts Payable Canceled	Dec. 31, 2018	
				Funded	Unfunded	Capital Improvement Fund	Deferred Charges to Future Taxation - Unfunded	Department of Transportation Grant			Funded	Unfunded
2004-12	Improvements to Borough-Owned Properties	10/18/2004	\$ 200,000.00	\$ 6,288.25							\$ 6,288.25	
2011-10	Repair and Reconstruction of Sanitary Sewer System	7/18/2011	30,000.00		\$ 364.74							\$ 364.74
2011-11	Improvements to Approaches to Railroad Grade Crossings	7/18/2011	229,000.00		5,020.00							5,020.00
2011-12	Supplemental Funding for Repair and Reconstruction or Sanitary Sewer System	9/19/2011	20,000.00		5,821.52							5,821.52
2012-7	Purchase of EMS Equipment, Fire Department Vehicle and Repaving of Christana Street and Community Road	6/18/2012	548,000.00		1,034.50							1,034.50
2013-3	Acquisition of Various Capital Equipment and the Completion of Various Capital Improvements	4/15/2013	423,400.00		8.00							8.00
2013-11	Acquisition of Sport Utility Police Vehicles and Improvements to Borough Railroad Crossings	10/21/2013	215,000.00		56,306.73							56,306.73
2014-7	Various Capital Improvements and Providing Funding for Preliminary Costs	6/16/2014	335,000.00		13,826.36				\$ 12,673.76			1,152.60
2015-7	Various Capital Improvements and Acquisition of Real Property	5/18/2015	350,000.00		33,535.32				1,025.00			32,510.32
2015-9	Various Capital Improvements to the Utility (Sewer)	5/18/2015	1,488,000.00		1,484,551.70				24,950.42			1,459,601.28
2016-11	Acquisition of and Improvements to Real Property	6/20/2016	250,000.00	12,500.00	237,500.00						12,500.00	237,500.00
2016-12	Canceling and Reappropriating Balances for Capital Projects	6/20/2016	61,604.90		87.75							87.75
2017-9	Various Improvements to Municipal Owned Property and Reconstruction of Sixth Street	4/17/2017	420,000.00		74,445.75				1,075.00	\$ 70,535.00		143,905.75
2018-3	Improvements to Municipal Owned Properties and Acquisition of Public Works Department Equipment	3/19/2018	100,000.00			\$ 5,000.00	\$ 95,000.00		30,555.72			69,444.28
2018-11	Repair and Restoration of Streets, Sidewalks and Roads	10/15/2018	125,000.00					\$ 125,000.00			125,000.00	
				<u>\$ 18,788.25</u>	<u>\$ 1,912,502.37</u>	<u>\$ 5,000.00</u>	<u>\$ 95,000.00</u>	<u>\$ 125,000.00</u>	<u>\$ 70,279.90</u>	<u>\$ 70,535.00</u>	<u>\$ 143,788.25</u>	<u>\$ 2,012,757.47</u>

BOROUGH OF BROOKLAWN
GENERAL CAPITAL FUND
Statement of Bond Anticipation Notes
For the Year Ended December 31, 2018

<u>Ord. Number</u>	<u>Purpose</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2017</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2018</u>
2008-4	Road Improvements to Timber Boulevard	12/3/2008	7/12/2017	7/11/2018	1.390%	\$ 3,483.00		\$ 3,483.00	
2008-6	Acquisition of Refurbished Fire Apparatus	12/3/2008	7/12/2017	7/11/2018	1.390%	6,964.00		6,964.00	
2009-3	Road Improvements to Community Circle, Horton Avenue and Bergen Street	7/31/2009	7/12/2017 7/10/2018	7/11/2018 7/9/2019	1.390% 1.930%	14,500.00	\$ 7,250.00	14,500.00	\$ 7,250.00
2009-11	Repair and Reconstruction of Sanitary Sewer along Horton and Hannevig Roads	12/1/2009	7/12/2017 7/10/2018	7/11/2018 7/9/2019	1.390% 1.930%	16,955.00	8,477.00	16,955.00	8,477.00
2011-6	Acquisition of Dump Truck and Four-Wheel Drive Vehicle and Repair, Renovation and Replacement of Firehouse Roof and Heater and Community Center Heater	7/27/2011	7/12/2017 7/10/2018	7/11/2018 7/9/2019	1.390% 1.930%	83,220.00	62,400.00	83,220.00	62,400.00
2011-10	Repair and Reconstruction of Sanitary Sewer System	7/25/2012	7/12/2017 7/10/2018	7/11/2018 7/9/2019	1.390% 1.930%	16,625.00	13,300.00	16,625.00	13,300.00
2011-11	Improvements to Approaches to Railroad Grade Crossings	7/25/2012	7/12/2017 7/10/2018	7/11/2018 7/9/2019	1.390% 1.930%	16,625.00	13,300.00	16,625.00	13,300.00
2011-12	Supplemental Funding for Repair and Reconstruction of Sanitary Sewer System	7/25/2012	7/12/2017 7/10/2018	7/11/2018 7/9/2019	1.390% 1.930%	11,080.00	8,860.00	11,080.00	8,860.00
2012-7	Purchase of EMS Equipment, Fire Department Vehicle and Repaving of Christan Street and Community Road	8/16/2012	7/12/2017 7/10/2018	7/11/2018 7/9/2019	1.390% 1.930%	258,300.00	206,700.00	258,300.00	206,700.00
2013-3	Acquisition of Various Capital Equipment and the Completion of Various Capital Improvements	4/15/2013	7/12/2017 7/10/2018	7/11/2018 7/9/2019	1.390% 1.930%	295,520.00	246,270.00	295,520.00	246,270.00

(Continued)

BOROUGH OF BROOKLAWN
GENERAL CAPITAL FUND
Statement of Bond Anticipation Notes
For the Year Ended December 31, 2018

Ord. Number	Purpose	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2017	Increased	Decreased	Balance Dec. 31, 2018
2013-11	Acquisition of Sport Utility Police Vehicles and Improvements to Borough Railroad Crossings	7/21/2014	7/12/2017 7/10/2018	7/11/2018 7/9/2019	1.390% 1.930%	\$ 56,620.00	\$ 48,530.00	\$ 56,620.00	\$ 48,530.00
2014-7	Various Capital Improvements and Providing Funding for Preliminary Costs	7/21/2014	7/12/2017 7/10/2018	7/11/2018 7/9/2019	1.390% 1.930%	164,590.00	141,080.00	164,590.00	141,080.00
2015-7	Various Capital Improvements and Acquisition of Real Property	7/17/2015	7/12/2017 7/10/2018	7/11/2018 7/9/2019	1.390% 1.930%	123,000.00	102,315.00	123,000.00	102,315.00
2015-9	Various Capital Improvements to the Utility (Sewer)	7/17/2015	7/12/2017 7/10/2018	7/11/2018 7/9/2019	1.390% 1.930%	1,488,000.00	1,488,000.00	1,488,000.00	1,488,000.00
2016-11	Acquisition of and Improvements to Real Property	7/20/2016	7/12/2017 7/10/2018	7/11/2018 7/9/2019	1.390% 1.930%	55,000.00	55,000.00	55,000.00	55,000.00
2017-9	Various Improvements to Municipal Owned Property and Reconstruction of Sixth Street	7/12/2017	7/12/2017 7/10/2018	7/11/2018 7/9/2019	1.390% 1.930%	190,855.00	190,855.00	190,855.00	190,855.00
2018-3	Various Improvements to Municipal Owned Properties & Acquisition of Public Works Department Equipment	7/10/2018	7/10/2018	7/9/2019	1.930%	95,000.00	95,000.00	95,000.00	95,000.00
						<u>\$ 2,801,337.00</u>	<u>\$ 2,687,337.00</u>	<u>\$ 2,801,337.00</u>	<u>\$ 2,687,337.00</u>
							\$ 2,592,337.00	\$ 2,592,337.00	
								209,000.00	
							95,000.00		
							<u>\$ 2,687,337.00</u>	<u>\$ 2,801,337.00</u>	

Renewal
Paid By Budget Appropriation
Issued for Cash

BOROUGH OF BROOKLAWN
GENERAL CAPITAL FUND
Statement of Bonds and Notes Authorized But Not Issued
For the Year Ended December 31, 2018

Ordinance Number	Improvement Description	Balance Dec. 31, 2017	2018 Authorizations	Bond Anticipation Note Issued	Balance Dec. 31, 2018
2016-11	Acquisition of and Improvements to Real Property	\$ 182,500.00			\$ 182,500.00
2018-3	Various Improvements to Municipal Owned Properties and Acquisition of Public Works Department Equipment		\$ 95,000.00	\$ 95,000.00	
		<u>\$ 182,500.00</u>	<u>\$ 95,000.00</u>	<u>\$ 95,000.00</u>	<u>\$ 182,500.00</u>

SUPPLEMENTAL EXHIBITS

WATER UTILITY FUND

BOROUGH OF BROOKLAWN
WATER UTILITY FUND
Statement of Water Utility Cash - Treasurer
For the Year Ended December 31, 2018

	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2017	\$ 196,117.01	\$ 971,459.30
Increased by Receipts:		
Water Rents Collected	\$ 445,576.48	
Miscellaneous Revenues	18,876.02	
Water Tower Lease	18,200.00	
Due to Bank	0.02	
Bond Anticipation Note		\$ 140,000.00
Water Utility Capital Fund	5,686.15	
Water Utility Operating Fund	<u>4,502.94</u>	
	<u>488,338.67</u>	<u>144,502.94</u>
	684,455.68	1,115,962.24
Decreased by Disbursements:		
Appropriations	428,989.34	
Appropriation Reserves	9,929.29	
Accrued Interest on Bonds and Notes	21,130.00	
Due to Current Fund	5,956.48	
Due to Trust Other	445.20	
Contracts Payable		65,060.22
Water Utility Operating Fund		5,686.15
Improvement Authorizations		<u>31,253.75</u>
	<u>466,450.31</u>	<u>102,000.12</u>
Balance December 31, 2018	<u><u>\$ 218,005.37</u></u>	<u><u>\$ 1,013,962.12</u></u>

BOROUGH OF BROOKLAWN
WATER UTILITY FUND
Water Utility Capital Fund
Analysis of Water Utility Capital Cash
For the Year Ended December 31, 2018

	Balance Dec. 31, 2017	Receipts		Disbursements		Transfers		Balance Dec. 31, 2018
		Bond Anticipation Notes	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To	
Fund Balance	\$ 12,751.24							\$ 12,751.24
Capital Improvement Fund	12,000.00					\$ 10,000.00		2,000.00
Reserve for Payment of Debt:								
Ordinances:								
3-03;10-03	2,432.50							2,432.50
9-03	263.76							263.76
11-04	2,626.10							2,626.10
Excess Note Proceeds	5,701.00							5,701.00
<u>Improvement Authorizations:</u>								
15-02 Site Remediation at the Brooklawn Water Treatment Plant	286.49							286.49
5-07 Acquisition of a Water Tower Chlorination System	11,643.78							11,643.78
6-10 Improvements to Water Tower	1,703.75							1,703.75
7-11 Replacement of Water Plant Roof, Replacement of Hydrants, Valves and Meters and Acquisition of Utility Truck	33,998.66							33,998.66
9-15 Various Capital Improvements to the Utility	566,482.38			\$ 31,253.75				535,228.63
3-18 Acquisition of Various Capital Equipment and Completion of Various Capital Improvements to the Utility		\$ 140,000.00				47,790.00	\$ 10,000.00	102,210.00
Contracts Payable	319,955.14				\$ 65,060.22		47,790.00	302,684.92
Water Utility Operating Fund	1,614.50		\$ 4,502.94		5,686.15			431.29
	<u>\$ 971,459.30</u>	<u>\$ 140,000.00</u>	<u>\$ 4,502.94</u>	<u>\$ 31,253.75</u>	<u>\$ 70,746.37</u>	<u>\$ 57,790.00</u>	<u>\$ 57,790.00</u>	<u>\$ 1,013,962.12</u>

BOROUGH OF BROOKLAWN
WATER UTILITY FUND
Water Utility Operating Fund
Statement of Consumer Accounts Receivable
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 110,964.74
Increased by:	
2018 Water Rents Levied	<u>339,740.81</u>
	450,705.55
Decreased by:	
Collections	<u>445,576.48</u>
Balance December 31, 2018	<u><u>\$ 5,129.07</u></u>

BOROUGH OF BROOKLAWN
WATER UTILITY FUND
 Water Utility Capital Fund
 Statement of Fixed Capital
 For the Year Ended December 31, 2018

	Balance
	<u>Dec. 31, 2017 & 2018</u>
Pumping Station, Mains and Fire Hydrants	\$ 62,076.72
Aerator	6,700.74
Deep Well Pump	3,970.03
Sprinkler System	951.83
Heavy Duty Vehicles	48,000.00
Well	12,542.95
Well and Equipment	594,873.79
Wiring	850.00
Water Meters	64,316.89
Water Tower Chlorination System	8,356.22
Addition to Municipal Water Works and Purchase of Equipment	61,227.34
Auxiliary Generators	80,000.00
Water Tank; Wet Basin; High Service Pumps; Generator; Chemical Feed System; Distribution Pipelines	1,074,621.79
Water Plan Radio Control Communications	14,400.00
Water Utility Site Repairs and Installation of Backwash Filtering System	75,000.00
Site Remediation	99,713.51
Reconstruction, Repair and Redevelopment of Well #1	6,000.00
Redevelopment of Well #3	24,299.00
Improvements of Water Tower	283,296.25
Water Recycling System and Plant Controls	199,906.66
Water Works Underground Storage Tanks Site	8,355.40
Water Plant Roof, Hydrants, Valves, Meters and Utility Truck	66,001.34
Water Improvements and Related Items	<u>202,673.08</u>
	<u><u>\$ 2,998,133.54</u></u>

BOROUGH OF BROOKLAWN
WATER UTILITY FUND
 Water Utility Capital Fund
 Statement of Fixed Capital Authorized and Uncompleted
 For the Year Ended December 31, 2018

Ord. No.	<u>Improvement Description</u>	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2017	2018 Authorization	Balance Dec. 31, 2018
15-02	Site Remediation at the Brooklawn	11/18/2002	\$ 100,000.00	\$ 286.49		\$ 286.49
5-07	Acquisition of a Water Tower Chlorination System	6/18/2007	20,000.00	11,643.78		11,643.78
6-10	Improvements to Water Tower	8/16/2010	500,000.00	1,703.75		1,703.75
7-11	Replacement of Water Plant Roof, Replacement of Hydrants Valves and Meters and Acquisition of Utility Truck	6/20/2011	100,000.00	33,998.66		33,998.66
7-14	Various Improvements and Providing Funding for Preliminary Costs for Water Project	6/16/2014	152,000.00	111,166.52		111,166.52
9-15	Various Capital Improvements to the Utility	5/18/2015	1,490,300.00	1,490,300.00		1,490,300.00
3-18	Acquisition of Various Capital Equipment and Completion of Various Capital Improvements to the Utility	3/19/2018	150,000.00		\$ 140,000.00	140,000.00
				<u>\$ 1,649,099.20</u>	<u>\$ 140,000.00</u>	<u>\$ 1,789,099.20</u>

BOROUGH OF BROOKLAWN
WATER UTILITY FUND
 Water Utility Operating Fund
 Statement of Appropriation Reserves
 For the Year Ended December 31, 2018

	<u>Balance December 31, 2017</u>		<u>Disbursed</u>	<u>Balance</u>
	<u>Encumbered</u>	<u>Reserved</u>		<u>Lapsed</u>
Operating:				
Salaries and Wages		\$ 18,745.12		\$ 18,745.12
Other Expenses	\$ 10,005.66	4,347.48	\$ 9,929.29	4,423.85
Deferred Charges and Statutory Expenditures:				
Social Security System (O.A.S.I.)		2,574.45		2,574.45
Unemployment Compensation insurance		1.00		1.00
	<u>\$ 10,005.66</u>	<u>\$ 25,668.05</u>	<u>\$ 9,929.29</u>	<u>\$ 25,744.42</u>

BOROUGH OF BROOKLAWN
WATER UTILITY FUND
 Water Utility Operating Fund
 Statement of Interest on Notes and Analysis of Balance
 For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 2,137.14
Increased by:	
Budget Appropriation:	
Interest on Bonds and Notes	36,487.89
	38,625.03
Decreased by:	
Disbursements	21,130.00
Balance December 31, 2018	\$ 17,495.03

Analysis of Accrued Interest December 31, 2018

	Principal Outstanding <u>Dec. 31, 2018</u>	Interest Rate	From	To	Period	Amount
Bond Anticipation Notes:	\$ 1,901,520.00	1.930%	7/10/2018	12/31/2018	174 Days	\$ 17,495.03

BOROUGH OF BROOKLAWN
WATER UTILITY FUND
Water Utility Capital Fund
Statement of Capital Improvement Fund
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 12,000.00
Decreased by:	
Appropriation to Finance Improvement Authorization	<u>10,000.00</u>
Balance December 31, 2018	<u><u>\$ 2,000.00</u></u>

BOROUGH OF BROOKLAWN
WATER UTILITY FUND
 Water Utility Capital Fund
 Statement of Improvement Authorizations
 For the Year Ended December 31, 2018

Ord. No.	Improvement Description	Date	Amount	Balance Dec. 31, 2017		2018 Authorization		Paid or Charged	Balance Dec. 31, 2018		
				Funded	Unfunded	Capital Improvement Fund	Deferred Charges To Future Revenue		Funded	Unfunded	
15-02	Site Remediation at the Brooklawn Water Treatment Plant	11/18/02	\$ 100,000.00	\$ 286.49					\$ 286.49		
5-07	Acquisition of a Water Tower Chlorination System	6/18/07	20,000.00	11,643.78					11,643.78		
6-10	Improvements to Water Tower	8/16/10	500,000.00		\$ 1,703.75					\$ 1,703.75	
7-11	Replacement of Water Plant Roof, Replacement of Hydrants, Valves and Meters and Acquisition of Utility Truck	6/20/11	100,000.00		33,998.66					33,998.66	
9-15	Various Capital Improvements to the Utility	5/18/15	1,490,300.00		566,482.38			\$ 31,253.75		535,228.63	
3-18	Acquisition of Various Capital Equipment and Completion of Various Capital Improvements to the Utility	3/19/18	150,000.00			\$ 10,000.00	\$ 140,000.00	47,790.00		102,210.00	
				<u>\$ 11,930.27</u>	<u>\$ 602,184.79</u>	<u>\$ 10,000.00</u>	<u>\$ 140,000.00</u>	<u>\$ 79,043.75</u>	<u>\$ 11,930.27</u>	<u>\$ 673,141.04</u>	
								Contracts Payable	\$ 47,790.00		
								Cash Disbursed	<u>31,253.75</u>		
									<u>\$ 79,043.75</u>		

BOROUGH OF BROOKLAWN
 WATER UTILITY FUND
 Water Utility Capital Fund
 Statement of Contracts Payable
 For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 319,955.14
Increased by:	
Contracts Awarded Charged to Improvement Authorization 2018-3	47,790.00
	367,745.14
Decreased by:	
Disbursed	65,060.22
Balance December 31, 2018	\$ 302,684.92

Exhibit SD-11

BOROUGH OF BROOKLAWN
 WATER UTILITY FUND
 Water Utility Capital Fund
 Statement of Reserve for Amortization
 For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 2,806,413.47
Increased by:	
Transferred from Deferred Reserve for Amortization	73,070.00
Balance December 31, 2018	\$ 2,879,483.47

BOROUGH OF BROOKLAWN
WATER UTILITY FUND
Water Utility Capital Fund
Statement of Deferred Reserve for Amortization
For the Year Ended December 31, 2018

<u>Ord. Number</u>	<u>Improvement Description</u>	<u>Ord. Date</u>	<u>Balance Dec. 31, 2017</u>	<u>Transferred to Reserve for Amortization</u>	<u>Notes Paid from Operating Budget</u>	<u>Balance Dec. 31, 2018</u>
15-02	Site Remediation at the Brooklawn Water Treatment Plant	11/18/02	\$ 286.49			\$ 286.49
5-07	Acquisition of a Water Tower Chlorination System	6/18/07	11,643.78			11,643.78
6-10	Improvements to Water Tower	8/16/10		\$ 39,500.00	\$ 39,500.00	
7-11	Replacement of Water Plant Roof, Replacement of Hydrants, Valves and Meters and Acquisition of Utility Truck	6/20/11		13,570.00	13,570.00	
7-14	Various Improvements and Providing Funding for Preliminary Costs for Water Project	6/16/14		20,000.00	20,000.00	
			<u>\$ 11,930.27</u>	<u>\$ 73,070.00</u>	<u>\$ 73,070.00</u>	<u>\$ 11,930.27</u>

BOROUGH OF BROOKLAWN
WATER UTILITY FUND
 Water Utility Capital Fund
 Statement of Bond Anticipation Notes
 For the Year Ended December 31, 2018

<u>Ord. Number</u>	<u>Purpose</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2017</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2018</u>
6-10	Improvements to Water Tower	07/27/2011	7/21/2017 7/10/2018	7/20/2018 7/9/2019	1.390% 1.930%	\$ 158,000.00	\$ 118,500.00	\$ 158,000.00	\$ 118,500.00
7-11	Replacement of Water Plant Roof, Replacement of Hydrants, Valves and Meters and Acquisition of Utility Truck	07/27/2011	7/21/2017 7/10/2018	7/20/2018 7/9/2019	1.390% 1.930%	54,290.00	40,720.00	54,290.00	40,720.00
7-14	Various Improvements and Providing Funding for Preliminary Costs for Water Project	07/21/2014	7/21/2017 7/10/2018	7/20/2018 7/9/2019	1.390% 1.930%	132,000.00	112,000.00	132,000.00	112,000.00
9-15	Various Capital Improvements to the Utility	07/17/2015	7/21/2017 7/10/2018	7/20/2018 7/9/2019	1.390% 1.930%	1,490,300.00	1,490,300.00	1,490,300.00	1,490,300.00
3-18	Acquisition of Various Capital Equipment and Completion of Various Capital Improvements to the Utility	07/10/2018	7/10/2018	7/9/2019	1.930%		140,000.00		140,000.00
						<u>\$ 1,834,590.00</u>	<u>\$ 1,901,520.00</u>	<u>\$ 1,834,590.00</u>	<u>\$ 1,901,520.00</u>
					Renewals Paid by Budget Appropriation Issued for Cash		\$ 1,761,520.00 140,000.00	\$ 1,761,520.00 73,070.00	
							<u>\$ 1,901,520.00</u>	<u>\$ 1,834,590.00</u>	

SUPPLEMENTAL EXHIBITS

PUBLIC ASSISTANCE FUND

BOROUGH OF BROOKLAWN
PUBLIC ASSISTANCE TRUST FUND
Statement of Public Assistance Trust Fund Cash - Treasurer
For the Year Ended December 31, 2018

		<u>P.A.T.F. II</u>
Balance December 31, 2017		\$ 551.32
Increased by:		
Interest Earned - Due to Current Fund		<u>2.42</u>
		553.74
Decreased by:		
Disbursed to Current Fund:		
Interest Realized as Anticipated Revenue	\$ 2.19	
Interfund Returned	<u>0.58</u>	
		<u>2.77</u>
Balance December 31, 2018		<u><u>\$ 550.97</u></u>

BOROUGH OF BROOKLAWN

PART II

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

FOR THE YEAR ENDED DECEMBER 31, 2018

BOROUGH OF BROOKLAWN
Schedule of Findings and Recommendations
For the Year Ended December 31, 2018

Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

N/A – None.

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BOROUGH OF BROOKLAWN
Summary Schedule of Prior Year Audit Findings
and Recommendations as Prepared by Management

This section identifies the status of prior year findings related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

N/A – None.

BOROUGH OF BROOKLAWN
 Officials in Office and Surety Bonds

The following officials were in office during the period under audit:

<u>Name</u>	<u>Title</u>	<u>Amount of Surety Bond</u>
Theresa Branella	Mayor	
Julie McCleary	Council President	
Patricia McConnell	Councilmember	
Michael Mevoli	Councilmember	
Gregory Gilbert	Councilmember	
Jerry Granstrom	Councilmember	
Patrick Moses	Councilmember	
Ryan Giles	Chief Financial Officer, Borough Clerk, Registrar of Vital Statistics, Personnel Officer	(A)
Maria Branson	Tax Collector, Water Clerk, Construction Office Secretary	(A)
Anna Minix	Treasurer, Deputy Borough Clerk, Deputy Registrar of Vital Statistics, Borough Homes Coordinator	(A)
Timothy Higgins, Esquire	Solicitor	

(A) Covered by policies of the Camden County Joint Insurance and the New Jersey Municipal Excess Liability Joint Insurance Fund for up to \$1,000,000.00 with a deductible of \$1,000.00.

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APPRECIATION

I express my appreciation for the assistance and courtesies rendered by the Borough officials during the course of the audit.

Respectfully submitted,

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Kirk N. Applegate
Certified Public Accountant
Registered Municipal Accountant

